

RAILWAYS (FOREIGN COUNTRIES AND BRITISH
POSSESSIONS).

RETURN to an Order of the Honourable the House of Commons
dated 13 November 1906 ;—for,

RETURN “showing, so far as the particulars can be obtained, (a) in what foreign countries and British Possessions, other than those covered by the Return ordered on the 2nd July 1906, the railways have been in whole or part either built or acquired by the Government; (b) the cost of building or acquisition of such Government railways, and, in the latter case, the precise date and terms of purchase; (c) the financial results in each case, showing, *inter alia*, the revenues, working expenses, and net loss or profit for the last two years, for which figures are available, and what amounts of capital, if any, have been repaid out of revenue.”

Great Britain

Board of Trade,
August 1907. }

H. LLEWELLYN SMITH.

(Mr. Chiozza Money.)

Ordered, by The House of Commons, to be Printed,
23 August 1907.

LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
BY EYRE AND SPOTTISWOODE, LTD.,
PRINTERS TO THE KING'S MOST EXCELLENT MAJESTY.

And to be purchased, either directly or through any Bookseller, from
WYMAN AND SONS, LTD., FETTER LANE, E.C., and
32, ABINGDON STREET, WESTMINSTER, S.W.; or
OLIVER AND BOYD, TWEEDDALE COURT, EDINBURGH; or
E. PONSONBY, 116, GRAFTON STREET, DUBLIN.

1000 1000 1000
 1000 1000 1000
 1000 1000 1000
 1000 1000 1000

9385
G7972

TABLE OF CONTENTS.

PREFATORY NOTE -	PAGE
4	
BRITISH POSSESSIONS:—	
INDIA -	5
CANADA -	12
NEWFOUNDLAND -	15
NEW SOUTH WALES -	16
QUEENSLAND -	16
SOUTH AUSTRALIA -	17
TASMANIA -	18
VICTORIA -	18
WESTERN AUSTRALIA -	20
NEW ZEALAND -	20
CAPE COLONY -	21
NATAL -	22
TRANSVAAL AND ORANGE RIVER COLONY -	23
FOREIGN COUNTRIES:—	
AUSTRIA-HUNGARY -	25
BELGIUM -	26
BRAZIL -	27
BULGARIA -	29
CHILE -	30
COLOMBIA -	31
COSTA RICA -	31
CUBA -	31
DENMARK -	32
FRANCE -	34
GERMANY -	40
GREECE -	45
GUATEMALA -	46
HONDURAS -	46
ITALY -	47
JAPAN -	50
LUXEMBURG -	51
NETHERLANDS -	53
NICARAGUA -	54
NORWAY -	55
PORTUGAL -	56
ROUMANIA -	57
RUSSIA -	58
SERVIA -	64
SIAM -	66
SPAIN -	67
SWEDEN -	67
SWITZERLAND -	69
TURKEY -	70

PREFATORY NOTE.

THE following Return contains reports obtained by the Board of Trade in response to an Order of the House of Commons, dated 13 November 1906. The reports relate to Railways in India, 13 self-governing British Colonies (the Transvaal and Orange River Colonies have a railway system in common), and 29 Foreign Countries. The information on which these reports are based was supplied by the India Office, the Governments of the Self-Governing Colonies, and His Majesty's Representatives in Foreign Countries, who, in some cases, transmitted memoranda supplied by the Governments to which they are accredited.

The 41 Countries, in regard to which information is given in this return, fall into the following four groups, which are, however, not quite mutually exclusive :—

- (i) *Countries in which the State owns and works the whole or a part of the railway system.*—These are India, Canada, New South Wales, Queensland, South Australia, Tasmania, Victoria, Western Australia, New Zealand, Cape Colony, Natal, and the Transvaal and Orange River Colony; Austria-Hungary, Belgium, Brazil, Bulgaria, Chile, Colombia, Costa Rica, Cuba, Denmark, France, the States of the German Empire, Honduras, Italy, Japan, Norway, Portugal, Roumania, Russia, Servia, Siam, Sweden, Switzerland, and Turkey. In a few instances, of which the chief are New South Wales, Queensland, and Victoria, the railways have been built entirely by the State; elsewhere the State system is the outcome of both construction and purchase. In Italy, after many changes of policy, nationalisation, as regards both ownership and working, has recently been again adopted. In Japan and Switzerland, that policy, though resolved upon, has not yet been completed.
- (ii) *Countries in which the State owns Railways, the working of which has been leased to private companies.*—This group includes Newfoundland, the Netherlands, Nicaragua, Brazil, and Bulgaria. In the first three of these, the whole of the State-owned system is leased.
- (iii) *Countries in which privately-owned Railways have received State-aid.*—Government assistance, in the form either of subventions towards construction, or of guarantees of interest, has been given to private railway companies in Denmark, France, Greece, Luxemburg, Russia, and Spain. In France, Greece, and Spain, the railway concessions have been granted to companies for a term of years, at the end of which the lines will pass into the ownership of the State. In Denmark the State has the right to acquire the lines at any date after the expiration of a fixed period. In Norway certain railways are owned by the State and the local authorities jointly.
- (iv) *Countries in which the Railways have been built by the State, but have since been transferred to private enterprise.*—The only example of this which appears in this Report is Guatemala.

Board of Trade,
Commercial Department,
April 1908.

I.—Indian State Railways.

(Excluding Lines wholly under Construction on 31st December 1905.)

(i) Lines in British Territory.

(a) Length of Line and Capital Outlay.

Railway System.	Working Agency.	Length open on 31st December 1905.	Capital Expenditure to 31st December 1905.						Amount of Capital Repaid out of Revenue to 31st December 1905.
			Expenditure incurred or Liabilities assumed by the State.				Capital raised by Companies under Guarantee of Secretary of State (including Over- drafts). (a)	Grand Total.	
			Purchase Price of Lines acquired from Companies.	Debentures and Debt Stocks of Lines acquired from Com- panies for which the Liability was assumed by the State.	Expendi- ture apart from Cost of Acqui- sition of Purchased Lines (including Capital advanced to Com- panies).	Total.			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
East Indian, including purchased lines—		Miles.	£	£	£	£	£	£	£
East Indian - - -	East Indian Ry. Co.	1372.30	32,750,000	1,500,000	7,063,949	41,343,949	8,000,300	49,344,249	3,831,601
Nalhati - - -			30,000						
Rajputana-Malwa - -	Bombay, Baroda, and Central India Ry. Co.	1923.52	—	—	10,856,635	10,856,635	—	10,856,635	—
Palampur-Deesa (British share) -	Do. do.	(b)	—	—	15,805	15,805	—	15,805	—
Bhopal (British Section) -	Great Indian Peninsula Ry. Co.	13.11	—	—	211,793	211,796	—	211,796	—
Eastern Bengal, including purchased lines—									
Calcutta and South Eastern	Eastern Bengal State Ry. Administration.	1234.98	453,844	112,850	8,693,074	14,389,452	—	14,389,452	323,712
Eastern Bengal - -			3,391,917	1,023,658					
Ranaghat-Krishnagar -			48,343	—					
Brahmaputra-Sultanpur -			195,766	—					
Bengal Central - -			500,000	—					
Tirhoot, including purchased line, Segowlie-Ruksaul.	Bengal and North Western Ry. Co.	565.45	53,333	—	4,142,464	4,198,797	—	4,198,797	—
Oudh and Rohilkund - -	Oudh and Rohilkund State Ry. Admn.	1244.65	5,036,049	5,300,000	3,938,193	14,275,242	—	14,275,242	40,405
Agra-Delhi Chord - -	Great Indian Peninsula Ry. Co.	119.75	—	—	816,462	816,462	—	816,462	—
North Western, including Sind, Punjab, and Delhi Line (purchased).	North Western State Ry. Admn.	3407.01	14,009,124	—	20,878,774	43,885,898	—	43,885,898	1,455,788
South Indian - - -	South Indian Ry. Co.	1123.05	4,197,557	1,495,000	1,955,953	7,648,516	425,000	8,073,516	—
Tinnevely-Quilon (A) - -	Do. do.	108.46	—	—	97,337	97,337	975,000	1,072,337	—
North East Line, Madras Railway	Madras Ry. Co.	497.19	—	—	4,335,576	4,335,576	—	4,335,576	—
Nilgiri - - -	Do.	16.93	236,175	—	9,801	245,976	—	245,976	—
Bezwada Extension - -	Nizam's Guaranteed State Rys. Co.	20.58	—	—	78,576	78,576	—	78,576	—
Guntakul-Mysore Frontier -	Southern Mahratta Ry. Co.	119.50	—	—	394,799	394,799	—	394,799	—
Tanjore District Board - -	South Indian Ry. Co.	29.46	—	—	273,460	273,460	41,047	314,507	—
Hospet-Kottur (d) - -	Southern Mahratta Ry. Co.	43.06	—	—	92,109	92,109	—	92,109	—
Bellary-Rayadrug (i) - -	Do. do.	33.35	—	—	51,345	51,345	—	51,345	—
Tiruppatur-Krishnagiri (i) -	Madras Ry. Co.	25.38	—	—	70,913	70,913	—	70,913	—
Great Indian Peninsula - -	Great Indian Peninsula Ry. Co.	1561.63	34,859,218	5,922,350	3,593,258	44,374,826	825,000	45,199,826	1,919,891
Jodhpur-Hyderabad - -	Jodhpur-Bikaner Ry. Co. (Native State Line).	123.93	—	—	264,530	264,530	—	264,530	—
Assam-Bengal - - -	Assam-Bengal Ry. Co.	740.38	—	—	5,022,495	5,022,495	2,855,900	7,884,395	—
Bengal-Nagpur - - -	Bengal-Nagpur Ry. Co.	1974.77	—	—	10,641,353	10,641,353	8,505,000	19,146,353	—
Burma - - -	Burma Rys. Co.	1340.15	—	—	5,127,488	5,127,488	3,717,474	8,844,962	—
Indian Midland - - -	Great Indian Peninsula Ry. Co.	807.90	—	—	1,988,378	1,988,378	6,001,516	7,989,894	—
Lucknow-Bareilly - - -	Rohilkund and Kumaon Ry. Co.	237.04	—	—	651,044	651,044	147,000	798,044	—
Mysore - - -	Southern Mahratta Ry. Co.	296.22	—	—	—	—	1,200,000	1,200,000	—
Southern Mahratta - - -	Do. do.	1042.04	—	—	3,270,266	3,270,266	4,822,381	8,092,647	—
Jorhat - - -	Jorhat Ry. Admn.	30.25	—	—	60,563	60,563	—	60,563	—

NOTE.—In addition to the above, the following lines were acquired by the State on the 31st December 1905:—

Noakhati, Baroda, and Central India (purchase price, 115,000£.).

Kalka-Simla, Baroda, and Central India (purchase price, 300,000£.).

Bombay, Baroda, and Central India (purchase price, 11,685,580£. 11s. 3d.; debentures taken over, 2,391,300£.; capital advanced by Government to 31st December 1905 (including overdraft), 1,038,614£. 18s. 1d.

(a) The Secretary of State is virtually in the position of banker to the Companies mentioned in this Statement, which pay all their capital over to him, and draw upon it when required. It sometimes happens that a Company temporarily overdraws its account with the Secretary of State.

(b) See footnote to Statement (ii).

(c) Excluding portion of purchase price, 1,000,000£., representing capital of Company under new working arrangements after purchase included in col. 4.

(d) Part of this line, 57.98 miles in length, is in the Native State of Travancore, which underwrites the guarantee of interest by the Secretary of State on the portion of the capital allotted by the Company for this section (711,346£.).

(e) Famine protective lines.

(f) Excluding portion of purchase price, 1,750,000£., representing capital of Company under new working arrangements after purchase included in col. 4.

INDIAN STATE RAILWAYS.

(Excluding lines wholly under construction on 31st December 1905.)

(i) Lines in British Territory--*continued*.

(b) Principal Financial Results in 1904.

Railway System.	1904.							
	Gross Earnings.	Working Expenses.	Net Earnings.	Charges against Net Earnings.			Gain or Loss to the State.	
				Interest and Annuities.	Share of Profits paid to Working Agency.	Total.	Gain.	Loss.
(1a)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
East Indian, including purchased lines—	£	£	£	£	£	£	£	£
East Indian - - - - -	5,064,770	1,693,809	3,370,961	1,975,932	137,618	2,113,550	1,257,411	—
Nalhati - - - - -								
Rajputana-Malwa - - - - -	1,557,686	747,164	810,522	430,336	—	430,336	380,186	—
Palanpur-Deesa (British Share) - - - - -	1,093	537	556	632	—	632	—	76
Bhopal (British Section) - - - - -	26,382	13,178	13,204	8,008	—	8,008	5,196	—
Eastern Bengal, including purchased lines—								
Calcutta and South-Eastern - - - - -								
Eastern Bengal - - - - -								
Ranaghat-Krishnagar - - - - -	1,297,540	709,315	588,225	491,522	2,240	493,762	94,463	—
Brahmaputra-Sultanpur - - - - -	(c)	(c)	(c)	(c)	(d)	(c)	(c)	
Bengal Central - - - - -								
Tirhoot, including purchased line	417,541	184,303	233,238	143,201	7,657	150,858	82,380	—
Segowlie-Ruksaul - - - - -	(f)	(f)	(f)	(f)	(f)	(f)	(f)	
Oudh and Rohilkund - - - - -	1,019,747	544,206	475,541	470,376	—	470,376	5,165	—
Agra-Delhi Chord - - - - -	1,205	539	666	19,678	—	19,678	—	19,012
North Western, including Sind, Punjab and Delhi line (purchased).	4,110,421	1,957,560	2,152,861	1,687,475	—	1,687,475	465,386	—
South Indian - - - - -	854,539	380,074	474,465	306,066	47,033	353,099	121,366	—
Tinnevely-Quilon (h) - - - - -	(Figures included with those of South Indian Railway.)							
North East Line, Madras Railway - - - - -	336,224	232,099	104,125	169,639	—	169,639	—	65,514
Nilgiri - - - - -	19,342	14,931	4,411	8,892	—	8,892	—	4,481
Bezwada Extension - - - - -	19,544	9,320	10,224	3,126	—	3,126	7,098	—
Guntakul-Mysore Frontier - - - - -	50,292	32,033	18,259	15,758	—	15,758	2,501	—
Tanjore District Board - - - - -	34,966	17,542	17,424	15,058	—	15,058	2,366	—
Hospet-Kottur (i) - - - - -	(Not opened to traffic till 1905.)							
Bellary-Rayadrug (i) - - - - -	(Not opened to traffic till 1905.)							
Tiruppatur-Krishnagiri (i) - - - - -	(Not opened to traffic till 1905.)							
Great Indian Peninsula - - - - -	3,216,090	1,604,108	1,611,982	1,622,562	19,436	1,641,998	—	30,016
Jodhpur Hyderabad - - - - -	43,249	20,249	23,000	10,323	—	10,323	12,677	—
Assam-Bengal - - - - -	196,931	189,905	7,026	277,769	—	277,769	—	270,743
Bengal-Nagpur - - - - -	1,260,809	621,654	639,155	636,108	24	636,132	3,023	—
Burma - - - - -	1,006,828	568,777	438,051	298,085	39,535	337,618	100,433	—
Indian Midland - - - - -	552,714	276,123	276,591	283,984	—	283,984	—	7.39
Lucknow-Bareilly - - - - -	99,741	46,563	53,178	29,889	3,632	33,521	19,657	—
Mysore - - - - -	105,688	68,110	37,578	48,000	10,159	58,159	—	20,581
Southern Mahratta - - - - -	489,897	310,049	179,848	273,929	48,064	321,993	—	142,145
Jorhat - - - - -	4,953	5,209	256†	2,417	—	2,417	—	2,673

(c) Excluding figures for Bengal Central Railway, purchased on 30th June 1905.

(d) Payment to Brahmaputra-Sultanpur Railway Company to 1st April 1904 on account of surplus profits and adjustments.

(f) Includes Segowlie-Ruksaul branch from 11th April 1904 only.

(h) Part of this line, 57.98 miles in length, is in the native State of Travancore, which underwrites the guarantee of interest by the Secretary of State on the portion of the capital allotted by the Company for this section (711,346l.).

(i) Famine protective lines.

† Net loss in this case.

INDIAN STATE RAILWAYS.

(Excluding Lines wholly under Construction on 31st December 1905.)

(i) Lines in British Territory—*continued*.

(c) Principal Financial Results in 1905.

Railway System.	1905.							
	Gross Earnings.	Working Expenses.	Net Earnings.	Charges against Net Earnings.			Gain or Loss to the State.	
				Interest and Annuities.	Share of Profits paid to Working Agency.	Total.	Gain.	Loss.
(1b)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
East Indian, including purchased lines—	£	£	£	£	£	£	£	£
East Indian - - - - -	5,003,143	1,790,801	3,212,342	2,019,391	124,138	2,143,529	1,068,813	—
Nalhati - - - - -								
Rajputana-Malwa - - - - -	1,896,283	814,290	1,081,993	429,429	—	429,429	652,564	—
Palampur-Deesa (British Share) - - - - -	1,252	529	723	631	—	631	92	—
Bhopal (British Section) - - - - -	21,688	10,534	11,154	8,216	—	8,216	2,938	—
Eastern Bengal, including purchased lines—								
Calcutta and South Eastern - - - - -	1,352,213	716,886	641,327	530,805	—	530,805	110,522	—
Eastern Bengal - - - - -								
Ranaghat-Krishnagar - - - - -								
Brahmaputra-Sultanpur - - - - -								
Bengal Central - - - - -	(e)	(e)	(e)	(e)	(e)	(e)	(e)	(e)
Tirhoot, including purchased line	412,117	174,956	237,161	156,971	11,296	168,267	68,894	—
Segowlie-Ruksaul.								
Oudh and Rohilkund - - - - -	1,025,728	602,817	422,911	477,895	—	477,895	—	54,984
Agra-Delhi Chord - - - - -	53,644	25,669	27,975	28,012	—	28,012	—	37
North Western, including Sind, Punjab, and Delhi line (purchased).	3,911,663	1,974,837	1,936,826	1,719,360	—	1,719,380	217,446	—
South Indian - - - - -	862,298	423,809	443,045	190,542	41,158	231,700	211,345	—
Tinnevely-Quilon (h) - - - - -	(Figures included with those of South Indian Railway.)							
North East line, Madras Railway - - - - -	449,081	271,362	177,719	171,834	—	171,834	5,885	—
Nilgiri - - - - -	21,033	17,768	3,265	9,058	—	9,058	—	5,793
Bezwada Extension - - - - -	23,166	9,550	13,616	3,136	—	3,136	10,480	—
Guntakul-Mysore Frontier - - - - -	53,858	31,536	22,322	15,783	—	15,783	6,539	—
Tanjore District Board - - - - -	33,112	21,425	17,687	14,749	—	14,749	2,938	—
Hospet-Kottur (i) - - - - -	1,949	2,414	465†	3,216	—	3,216	—	3,681
Bellary-Rayadrug (i) - - - - -	1,136	1,327	191†	940	—	940	—	1,131
Tiruppur-Krishnagiri (i) - - - - -	856	927	71†	1,253	—	1,253	—	1,324
Great Indian Peninsula - - - - -	3,482,258	1,680,914	1,801,344	1,652,547	30,914	1,683,461	117,883	—
Jodhpur Hyderabad - - - - -	48,266	23,666	24,600	10,575	—	10,575	14,025	—
Assam-Bengal - - - - -	227,620	219,246	8,374	284,087	—	284,087	—	275,713
Bengal-Nagpur - - - - -	1,631,393	737,790	893,603	668,821	—	668,821	224,782	—
Burma - - - - -	1,051,730	639,659	412,071	302,398	45,169	347,567	64,504	—
Indian Midland - - - - -	532,755	260,453	272,302	285,145	—	285,145	—	12,843
Lucknow Bareilly - - - - -	103,166	48,433	54,733	30,030	1,121	31,151	23,582	—
Mysore - - - - -	119,393	72,856	46,537	48,000	9,179	57,179	—	10,642
Southern Mahratta - - - - -	511,180	310,082	201,098	275,842	41,384	317,226	—	116,128
Jorhat - - - - -	5,240	5,076	164	2,432	—	2,432	—	2,268

(e) Excluding figures for Bengal Central Railway for first half of 1905.

(h) Part of this line, 57·98 miles in length, is in the Native State of Travancore which underwrites the guarantee of interest by the Secretary of State on the portion of the capital allotted by the Company for this section (711,346l.).

(i) Famine protective lines.

† Net loss in this case.

INDIAN STATE RAILWAYS.

(Excluding Lines wholly under Construction on 31st December 1905.)

(ii.) Lines belonging to Native States and Foreign Powers.

(a) Length of Line and Capital Outlay.

Railway.	State to which the Line belongs.	Working Agency.	Length.	Capital Outlay to 31st December 1905.	
(1)	(2)	(3)	(4)	(5)	
NATIVE STATE RAILWAYS.			Miles.	£	
Bhavnagar-Gondal-Junagad - Porbandar.	Bhavnagar, Gondal, Junagad & Porbandar States.	Bhavnagar, Gondal, Junagad, Porbandar Ry. Admn.	334.19	1,200,629	1
Bhopal-Itarsi -	Bhopal State -	Great Indian Peninsula Ry. Co.	44.28	333,333	2
(Native State Section.)					
Bhopal Ujjain -	Bhopal and Gwalior States jointly.		113.27	522,381	3
Bikaner -	Bikaner State -	Jodhpur-Bikaner Ry. Admn. -	245.35	344,827	4
Bina-Goonna-Baran -	Gwalior and Kotah States jointly.	Great Indian Peninsula Ry. Co.	145.63	666,026	5
Birur-Shimoga -	Mysore State -	Southern Mahratta Ry. Co. -	37.92	159,903	6
Cooch Behar -	Cooch Behar State -	Eastern Bengal State Ry. Admn.	33.60	98,860	7
Cutch -	Cutch State -	Cutch State -	11.86	28,382	8
Dhrangadra -	Dhrangadra State -	Bhavnagar, Gondal, Junagad, Porbandar Ry. Admn.	20.83	39,113	9
Gaekwar's Dabhoi -	Baroda State -	Bombay, Baroda, and Central India Ry. Co.	94.49	164,861	10
Gaekwar's Mehsana -	Baroda State -		92.63	229,126	11
Gwalior Light -	Gwalior State -	Great Indian Peninsula Ry. Co.	183.53	364,856	12
Hindupur -	Mysore State -	Southern Mahratta Ry. Co. -	51.35	165,930	13
Jaipur -	Jaipur State -	Bombay, Baroda, and Central India Ry. Co.	32.18	183,830	14
Jammu and Kashmir (Native State Section.)	Kashmir State -	North-Western State Ry. Admn.	15.98	64,147	15
Jamnagar -	Navanagar State -	Bhavnagar, Gondal, Junagad, Porbandar Ry. Admn.	54.22	155,140	16
Jetalsar-Rajkot -	Junagad, Jotpur, Gondal and Rajkot States.		46.21	105,347	17
Jodhpur -	Jodhpur State -	Jodhpur-Bikaner Ry. Admn. -	463.89	817,585	18
Kolar Goldfields -	Mysore State -	Madras Ry. Co. -	9.88	79,191	19
Kolhapur -	Kolhapur State -	Southern Mahratta Ry. Co. -	29.27	155,083	20
Ludhiana-Dhuri-Jakhal -	Maler Kotla and Jind States.	North-Western State Ry. Admn.	78.66	274,834	21
Mourbhanj -	Mourbhanj State -	Bengal Nagpur Ry. Co. -	32.41	41,460	22
Morvi -	Morvi State -	Morvi State -	89.64	292,721	23
Mysore-Nanjangud -	Mysore State -	Southern Mahratta Ry. Co. -	15.80	43,764	24
Nagda-Ujjain -	Gwalior State -	Bombay, Baroda, and Central India Ry. Co.	34.32	149,363	25
Palanpur-Deesa -	Palanpur State and British Government jointly.		17.28*	12,333	26
Parlakimedi Light -	Parlakimedi State -	Bengal Nagpur Ry. Co. -	24.62	47,398	27
Petlad-Cambay -	Baroda and Cambay States jointly.	Bombay, Baroda, and Central India Ry. Co.	32.42	129,184	28
Rajpipla -	Rajpipla State -		37.37	86,968	29
Rajpura-Bhatinda -	Patiala State -	North-Western State Ry. Admn.	107.05	447,922	30
Shoranur-Cochin -	Cochin State -	Madras Ry. Co. -	64.75	455,318	31
Udaipur-Chitor -	Udaipur State -	Udaipur State -	67.30	137,831	32
Vijapur-Kalol-Kadi -	Baroda State -	Bombay, Baroda, and Central India Ry. Co.	41.37	87,972	33
Tinnevely-Quilon (Native State Section.)	Travancore State -	South Indian Ry. Co. -	57.98	—	34
FRENCH RAILWAY.					
Karaikkal-Peralam -	French Settlements in India.	South Indian Ry. Co. -	14.65	48,252	35

* This is the length of the whole line which lies entirely in Native State territory. It is owned jointly by the Government of India and the Palanpur State and the net earnings are divided in proportion to the capital provided by each.

INDIAN STATE RAILWAYS.

(Excluding Lines wholly under Construction on 31st December 1905.)

(ii.) Lines belonging to Native States and Foreign Powers.

(b) Principal Financial Results in 1904 and 1905.

	1904.				1905.				
	Gross Earnings	Working Ex-penses.	Net Earnings	Percentage of Net Earnings on Capital Outlay to end of Year.	Gross Earnings	Working Ex-penses.	Net Earnings	Percentage of Net Earnings on Capital Outlay to end of Year.	Railway.
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	£	£	£		£	£	£		NATIVE STATE RAILWAYS.
1	124,038	54,710	69,328	5.76	123,422	57,357	66,065	5.50	Bhavnagar-Gondal-Junagad
2	42,916	21,424	21,492	6.45	34,796	16,932	17,864	5.36	-Porbandar.
3	30,315	15,156	15,159	2.91	40,549	20,105	20,444	3.91	Bhopal-Itarsi.
4	48,260	21,215	27,045	7.96	58,895	21,403	37,492	10.87	(Native State Section.)
5	26,126	12,943	13,183	1.98	24,578	12,037	12,541	1.88	Bhopal-Ujjain.
6	4,548	2,906	1,642	1.02	5,378	3,305	2,073	1.30	Bikaner.
7	9,838	4,038	5,800	5.91	9,899	4,078	5,821	5.88	Bina-Goonna-Baran.
8	(Not opened till 1905)			—	1,491	433	1,058	3.72	Birur-Shimoga.
9	3,168	2,138	1,030	2.63	3,269	2,377	892	2.28	Cooch Behar.
10	19,927	11,499	8,428	5.13	24,831	11,231	13,600	8.25	Cutch.
11	25,483	11,823	13,660	6.06	30,164	12,619	17,527	7.65	Dhrangadra.
12	12,219	8,719	3,500	1.13	12,649	9,133	3,516	0.96	Gaekwar's Dabhoi.
13	24,528	15,614	8,914	5.37	24,933	14,608	10,325	6.22	Gaekwar's Mehsana.
14	(Not opened till 1905)			—	820	368	452	0.25	Gwalior Light.
15	3,749	2,081	1,668	2.60	4,456	2,473	1,983	3.09	Hindupur.
16	9,402	5,621	3,781	2.44	9,889	5,755	4,134	2.66	Jaipur.
17	12,563	7,946	4,617	4.39	12,744	7,752	4,992	4.74	Jammu and Kashmir.
18	112,508	48,617	63,891	7.86	127,750	54,330	73,420	8.98	(Native State Section.)
19	16,316	10,367	5,949	7.61	12,560	8,053	4,507	5.69	Jamnagar.
20	9,445	5,896	3,549	2.29	11,360	6,731	4,629	2.98	Jetalsar-Rajkot.
21	23,071	12,689	10,382	3.78	34,334	18,884	15,450	5.62	Jodhpur.
22	(Not opened till 1905)			—	2,100	1,605	495	1.19	Kolar Goldfields.
23	23,642	11,048	12,594	5.55	21,576	9,944	11,632	3.97	Kolhapur.
24	2,592	1,632	960	2.19	2,945	1,744	1,201	2.74	Ludhiana-Dhuri Jakhal.
25	8,244	3,815	4,429	2.96	11,429	4,769	6,660	4.46	Mourbhanj.
26	853	368	485	3.94	1,093	462	631	5.12	Morvi.
27	1,378	1,465	87†	—	1,812	1,513	299	0.63	Mysore Nanjangud.
28	10,212	4,735	5,477	4.29	11,607	4,836	6,771	5.24	Nagda-Ujjain.
29	3,280	2,154	1,126	1.29	4,134	2,254	1,880	2.16	Nagpur Deesa.
30	71,195	37,021	34,174	7.62	83,559	43,450	40,109	8.95	(Native State Share.)
31	26,185	13,235	12,950	2.86	25,796	15,036	10,760	2.36	Parlakimedi Light.
32	10,086	6,541	3,545	2.57	13,862	6,959	6,903	5.00	Petlad-Cambay.
33	4,971	2,299	2,672	3.00	5,809	2,443	3,366	3.83	Rajpipla.
34	(See Statement No. (i.))			—	—	—	—	—	Rajpura-Bhatinda.
									Shoranur-Cochin.
									Udaipur-Chitor.
									Vijapur-Kalol-Kadi.
									Tinnevely-Quilon.
									(Native State Section.)
									FRENCH RAILWAY.
35	2,463	4,425	1,962†	—	2,461	2,167	294	0.61	Karaikkal-Peralam.

† Net loss in this case.

INDIAN STATE RAILWAYS.

(Appendix to Statement No. (i)).

Date and Terms of Purchase of Lines acquired from Companies.

Name of Railway and Date of Purchase by the State.	Terms of Purchase.
Calcutta and South-Eastern (1st April 1868.)	The share capital was returned to the Company and their liabilities in respect of debentures were assumed by the State. The amount of the share capital was 328,500 <i>l.</i> , the balance of the amount shown in the column headed "Purchase Price" representing capital lent to the Company by the Secretary of State and not repaid.
Nalhati - (31st March 1872.)	The sum of 30,000 <i>l.</i> was offered to and accepted by the Company (the Oudh and Rohilkund Railway Company, originally styled the Indian Branch Railway Company). The nominal capital of the line was 50,000 <i>l.</i>
East Indian - (31st December 1879.)	The purchase price of the line was fixed in accordance with the terms of the contract with the Company at a sum equal to the value of the shares calculated at the mean market price during the three years preceding the date on which notice of purchase was given. The amount thus calculated was 32,750,000 <i>l.</i> , which, under an option allowed to him by the contract, the Secretary of State decided to pay in the form of an annuity. The amount of the annuity created was 1,473,750 <i>l.</i> payable for 73 years and 45 days from the 1st January 1880. In addition to the payment of the purchase price, the Secretary of State, in accordance with the contract, assumed the liabilities of the Company in respect of debentures and debenture stock.
Eastern Bengal - (30th June 1884.)	The general terms of purchase were the same as in the case of the East Indian Railway. The purchase price was 3,391,916 <i>l.</i> 17 <i>s.</i> 5 <i>d.</i> , which it was decided to pay by means of an annuity of 139,162 <i>l.</i> 5 <i>s.</i> 3 <i>d.</i> , running for 73 years and 30 days from the 30th June 1884.
Sind, Punjab, and Delhi - (31st December 1885.)	General terms the same as in the case of the East Indian Railway. The purchase price was 14,009,124 <i>l.</i> 8 <i>s.</i> 3 <i>d.</i> , which it was decided to pay by means of an annuity of 571,828 <i>l.</i> 14 <i>s.</i> , running for 74 years from 31st December 1885.
Oudh and Rohilkund - (31st December 1888.)	General terms the same as in the case of the East Indian Railway, except that the Secretary of State did not have the option of paying the purchase price by means of an annuity. The purchase price was 5,036,048 <i>l.</i> 16 <i>s.</i> 8 <i>d.</i>
South Indian - (31st December 1890.)	General terms the same as in the case of the Oudh and Rohilkund Railway. The purchase price was 4,197,556 <i>l.</i> 11 <i>s.</i> 2 <i>d.</i>
Great Indian Peninsula - (30th June 1900.)	General terms the same as in the case of the East Indian Railway. The purchase price was 34,859,217 <i>l.</i> 17 <i>s.</i> 6 <i>d.</i> , which is being paid in the form of an annuity of 1,335,563 <i>l.</i> 18 <i>s.</i> 4 <i>d.</i> , running for 48 years and 48 days from the 30th June 1900.
Nilgiri - (1st January 1903.)	The Nilgiri Railway Company offered to sell their line to the Government and accepted the sum of 235,000 <i>l.</i> as the purchase price. Incidental expenses brought up the cost of acquisition to 236,175 <i>l.</i> , the amount shown in the column headed "purchase price."
Segowlie-Ruksaul - (11th April 1904.)	The purchase price of 56,323 <i>l.</i> was agreed upon between the Company and the Government.
Brahmaputra-Sultanpur (1st April 1904.)	The purchase price (195,766 <i>l.</i>) was equal to the capital expended on the line.

INDIAN STATE RAILWAYS.

(Appendix to Statement No. (i)).

Date and Terms of Purchase of Lines acquired from Companies—continued.

Name of Railway and Date of Purchase by the State.	Terms of Purchase.
Ranaghat-Krishnagar - - - (1st July 1904.)	The purchase price of 48,343 <i>l.</i> was agreed upon between the Company and the Government.
Bengal Central - - - (30th June 1905.)	By the terms of the contract the purchase price was a sum equal to the share capital of the Company, viz., 500,000 <i>l.</i>
Noakhali - - - (31st December 1905.)	The purchase price of 115,000 <i>l.</i> was agreed upon between the Company and the Government.
Bombay, Baroda, and Central India (31st December 1905.)	The general terms of purchase were the same as in the case of the East Indian Railway. The purchase price was 11,685,580 <i>l.</i> 11 <i>s.</i> 3 <i>d.</i> The annuity form of payment was not adopted, but an arrangement was made with the Company by which they accepted 10,089,146 <i>l.</i> 8 <i>s.</i> 5 <i>d.</i> India 3 per cent. stock as the equivalent of 9,685,580 <i>l.</i> 11 <i>s.</i> 3 <i>d.</i> of the purchase price, and agreed that the balance of 2,000,000 <i>l.</i> should remain with the Secretary of State as the capital of the Company under a new contract for the working of the line by them.
Kalka-Simla - - - (1st January 1906.)	The purchase price of 300,000 <i>l.</i> was agreed upon between the Company and the Government.

II.—State Railways in British Self-Governing Colonies.

1. CANADA.

A.—DOMINION RAILWAYS.

The Government railways of the Dominion are two, the Inter-Colonial and the Prince Edward Island.

(i)—*The Inter-Colonial Railway.*

Prior to confederation in 1867, 145 miles of railways had been built by the Nova-Scotian Government, namely, from Halifax westward to Truro, at the head of the Bay of Fundy, 61 miles, opened to traffic in 1858; a branch from this road at a point $13\frac{1}{2}$ miles from Halifax, to Windsor, on the Basin of Minas, Bay of Fundy, 32 miles, opened in the same year; and a line from Truro northward to Picton Harbour, 52 miles, opened in May, 1867. The capital expenditure on these roads up to the 30th June 1867, was as follows :—

	\$
On the railways from Halifax to Windsor and Truro -	345,136.04
And on the railway from Truro to Picton - - -	1,946,892.54

In the Province of New Brunswick, a railway was commenced in 1853 by the European and North American Railway Company, under provincial subsidy, to connect St. John, on the Bay of Fundy, with Shediac Harbour (Point du Chêne), on the Gulf of St. Lawrence. In 1856 the Company was dissolved owing to financial difficulties, and the province purchased the road from the contractor for 90,000*l.* sterling. Work was resumed by it. The section between Moncton and Shediac was opened for traffic in 1857, and the whole road from St. John to Shediac, 108 miles, was under traffic by 1860.

Under the terms of the British North America Act of 1867, the said railways of the Provinces of Nova Scotia and New Brunswick, on the 1st July 1867, became the property of Canada, and steps were at once taken to carry out the requirements of the Act that a railway should be built between Halifax and the River St. Lawrence.

By the Act of the Dominion, 31 Vict., Ch. 13, 1867, authority was given for the construction of a railway from the Port of Rivière du Loup, in the Province of Quebec, to Truro, to be called the "Inter-Colonial Railway," and surveys were commenced to that end.

Surveys had been made by the Imperial Government, and Major Robinson, of the Royal Engineers, had sent in a report in 1848 embodying the results. His report covered five lines of survey made between Quebec and Halifax. He, however, recommended the adoption of a location *viâ* Truro, Shediac, across the rivers Richibucto and Miramichi, the valley of the north-western Miramichi, to Bathurst on the Baie des Chaleurs, along the coast of that bay to the River Restigouche, thence by the valleys of the river and along the bank of the River St. Lawrence to Quebec. This route was finally adopted, with a modification, making the route *viâ* Moncton instead of Shediac.

By November 1872, 118 miles of railway had been built between Truro and Painsec, and together with the Nova Scotia and New Brunswick lines, making a total of 371 miles, were consolidated under the name of the Inter-Colonial Railway.

By the 1st July 1876 the whole railway between Rivière du Loup and Halifax was open for traffic, the total mileage, including the Picton and Windsor branches and the line from St. John to Point du Chêne (Shediac), being 745 miles. The Grand Trunk Railway Company had, in

1854, completed a line between Rivière du Loup and Chaudière Curve, opposite Quebec. This section of railway, together with a further portion 6 miles long from Chaudière Junction to Hadlow, opposite Quebec, 124½ miles, with running powers east 1¼ miles to Point Lévis, was purchased by the Government for the sum of \$1,500,000 in the year 1879, thus completing communication between Halifax and Quebec.

On the 9th January 1884 the Dominion purchased from the Province of Nova Scotia the Eastern Extension Railway, 80 miles long, from New Glasgow to Port Mulgrave on the Strait of Canso, together with the ferry across the Strait, for 1,200,000*l.* to connect with this road.

The Government proceeded to build a railway on the Island of Cape Breton from Point Tupper, opposite Port Mulgrave, to Sydney and North Sydney, and at the close of the year 1890 the road, 98 miles long, was ready for operation.

In July 1890 a line of railway 67·6 miles long between Oxford and New Glasgow, two points on the main line of the Inter-Colonial, was opened for traffic, thus shortening the distance.

By the Act of 1891, Chap. 50, the above-mentioned railways so vested in and controlled by the Dominion, were declared to constitute "the Inter-Colonial Railway."

In February 1898 the Government leased from the Drummond County Railway Company their line from Chaudière to Ste. Rosalie, with the option of purchase, and from the Grand Trunk Railway Company an undivided half share or leasehold interest in their property between Ste. Rosalie and Montreal, 87 miles, for a period of 99 years at a rental of \$140,000 a year.

On the 7th November 1899 the Government purchased for \$1,464,000 the said line from Chaudière to St. Rosalie, 71 miles, together with a branch to Nicolet.

On the 1st October 1904 the Government purchased for 164,444*l.* the Canada Eastern Railway, from Gibson to Loggieville (123·67 miles), and on 19th April 1905, the Fredericton and St. Mary's Bridge and connected property (1·33 miles) was surrendered to it. On the 1st July 1906 the length of the Inter-Colonial Railway in operation was 1,477·92 miles.

The capital expenditure on the road amounted, on the 30th June 1906, to 16,699,072*l.* The total expenditure for working expenses amounted to 23,726,033*l.*, and the total revenue received aggregated 21,917,411*l.* The working expenses and revenues of the Inter-Colonial Railway* for the fiscal years 1904-5 and 1905-6 (ending on the 30th June in each year) were as follows :—

	1904-5.	1905-6.
Miles in operation	1,414·67	1,444·92
Earnings	1,394,391 <i>l.</i>	1,571,232 <i>l.</i>
Working expenses	1,749,037 <i>l.</i>	1,558,505 <i>l.</i>
Net loss (—) or profit (+)	—354,646 <i>l.</i>	+12,727 <i>l.</i>
Working expenses per mile of railway	1,236 <i>l.</i>	1,087 <i>l.</i>
Working expenses per train mile	58·3 <i>d.</i>	51·06 <i>d.</i>
Earnings per mile of railway	986 <i>l.</i>	1,087 <i>l.</i>
Earnings per train mile	46·5 <i>d.</i>	51·5 <i>d.</i>

(ii)—*Prince Edward Island Railway.*

Under the express provisions of the Imperial Order in Council of the 26th June 1873, admitting Prince Edward Island into the Dominion from and after the 1st July 1873, an Order made in pursuance of the British North America Act of 1867, it was provided that "the railways under contract and " in course of construction for the Government of the island shall become the " property of Canada." Possession was taken on the 29th December 1874, as follows :—Main line, Cascumpec to Georgetown, 146·2 miles; western extension (Tignish to Alberton), 13·3 miles; eastern extension (Mount Stewart

* Excluding the Windsor Branch.

to Souris), 39 miles ; total, 192·5 miles. It is a narrow-gauge railway, 3 feet 6 inches.

The total Government expenditure prior to confederation was 640,251*l*. The total expenditure on construction up to the end of the fiscal year 1905-6 (*i.e.*, the 30th June 1906), including that prior to confederation, aggregated 1,483,218*l*. Various branches and extensions have been built, making the total length of the road under traffic 261·03 miles.

The financial results of operation during the two years, 1904-5 and 1905-6, show as follows :—

	1904-5.	1905-6.
Mileage - - - - -	209	261
Working expenses - - - - -	76,151 <i>l</i> .	60,435 <i>l</i> .
Earnings - - - - -	44,674 <i>l</i> .	52,883 <i>l</i> .
Loss - - - - -	31,477 <i>l</i> .	7,602 <i>l</i> .
Working expenses per mile of railway - - - - -	364 <i>l</i> .	217 <i>l</i> .
Working expenses per train mile - - - - -	53·95 <i>d</i> .	46·93 <i>d</i> .

Neither on the Inter-Colonial nor the Prince Edward Railway has any amount of capital expenditure been repaid out of revenue.

B.—PROVINCE OF ONTARIO.

(Abstracted from the Annual Reports of the Railway Commission of Ontario.)

Temiskaming and Northern Ontario Railway.

This railway, in the extreme east of the Province of Ontario, is under the control of a commission appointed by the Provincial Government, and the money required for the work has been obtained by loans negotiated at various times by the Government.

The construction of the line was commenced in 1901, and on 31st December 1906, there were 138 miles in operation, and a further 75 miles under construction.

The completed part of the railway runs from North Bay northwards to Englehart, the former station being the southern terminus of the line, which there joins the Canadian Pacific Railway.

As the station at North Bay and part of the line there belongs to the Canadian Pacific Railway, an agreement was entered into whereby the Temiskaming and Northern Ontario Railway Commission was allowed to run its trains over the line, and to use all the facilities for shunting, unloading passengers and goods, &c., &c., in return for which the Commission agreed to pay, for every train using the line a certain fixed sum (\$2.40 for each passenger train, and \$2.80 for each mixed or freight train, together with charges for terminal facilities).

The total cost of construction and equipment at the end of 1906 had amounted to \$9,417,236 (about 1,961,925*l*).

The following tables show the earnings and expenses in the two years 1905 and 1906 :—

Earnings.

Class of Receipt.	1905.	1906.	Increase in 1906 over 1905.
	\$	\$	\$
Passengers - - - - -	108,681.76	254,759.33	146,077.57
Mails and express - - - - -	7,804.85	17,596.36	9,791.50
Freights - - - - -	121,530.46	230,552.63	109,022.17
Telegraph and telephones - - - - -	4,697.07	20,514.53	15,817.46
Miscellaneous - - - - -	11,006.41	20,596.01	9,589.60
Total - - - - -	253,720.55	544,018.85	290,298.30

Expenses.

Class of Expenditure.	1905.	1906.	Increase in 1906 over 1905.
	\$	\$	\$
Maintenance of way and structures - -	25,072.89	77,265.87	52,192.98
" equipment - -	12,533.68	46,382.65	33,848.97
Conducting transportation - -	88,342.41	215,256.08	126,913.67
General expenses - -	13,823.52	23,194.61	9,371.09
Taxes - -	—	393.37	393.37
-Total - -	139,772.50	362,492.58	222,720.08

2. NEWFOUNDLAND.

Cost of Construction.—The following table shows the total expenditure on the construction (or acquisition) and equipment of the Newfoundland Government Railways :—

Item.	Length of Railway.	Expenditure
	Miles.	£
Cost of construction of that portion of the Government Railway constructed under contract by R. G. Reid and others.	525.88	1,686,318
Cost of construction of Placentia branch - - -	27	105,527
Cost of acquisition of the original Newfoundland Railway (purchased by the Government 13th July 1897).	84	325,120
Other items, including the amount paid to R. G. Reid for improvements, &c.	—	255,243
Total length - - -	636.88	—
Total cost of construction (or acquisition) and equipment - - -	—	2,372,208

Lease of Line.—The entire railway system, as above, was leased under instrument dated 21st July 1901 for 50 years to the Reid Newfoundland Company, the said Company working and developing the property, all revenue and expenditure being to their gain or loss, as the case may be.

Revenue and Expenditure.—The following statement for the financial years ending 30th June 1905 and 1906 shows the revenues, working expenses, and net loss for those years :—

Item.	1904-5.	1905-6.
	£	£
Revenue - - -	80,127	86,026
Expenditure - - -	104,725	112,729
Loss - - -	24,598	26,703

The returns made by the lessees of particulars of capital account do not show any repayment of capital out of revenue.

3. NEW SOUTH WALES.

The original proposals for the construction of railways in this State were made by private companies, and in 1850 the establishment by them of railways from Sydney and Newcastle was authorised, preliminary steps being taken in 1854 for the construction of the lines. Owing to financial and other difficulties on the part of the companies, the Government stepped in and took over their liabilities, paying practically the expenses incurred up to date on the lines which were under construction. The first lines were then completed by the Government, and the original section—Sydney to Parramatta, 14 miles—was opened by the Government in 1855, and all the main lines have since been constructed and maintained by the State. The results for the last two years are shown in the following table :—

Item.	Year ended 30th June.	
	1905.	1906.
Lines open for traffic (in miles) - - - -	3,280 $\frac{3}{4}$	3,390
Capital cost - - - - -	43,062,550 <i>l</i> .	43,626,063 <i>l</i> .
Capital paid out of revenue (included above) - - -	433,019 <i>l</i> .	433,019 <i>l</i> .
Earnings - - - - -	3,684,016 <i>l</i> .	4,234,791 <i>l</i> .
Working expenses - - - - -	2,192,147 <i>l</i> .	2,308,384 <i>l</i> .
Interest on capital - - - - -	1,525,948 <i>l</i> .	1,541,427 <i>l</i> .
Net loss (—) or profit (+) - - - - -	— 35,079 <i>l</i> .	+ 384,980 <i>l</i> .

4. QUEENSLAND.

No railways have been acquired by the Government of this State after construction. There is only one railway in the State (Mareeba to Chillagoe, 93 miles) which is privately owned, but there are some steam tramways which are the property of various local authorities. No capital has been repaid out of revenue.

—	Loans (including Depreciation.)	Expenditure to 30th June 1906.	Balances Unexpended, 30th June 1906.
	£	£	£
Southern Division - - - - -	15,507,232	14,470,243	1,036,989
Central - - - - -	4,331,827	4,155,108	176,719
Townsville - - - - -	2,405,725	2,196,938	208,787
Mackay - - - - -	271,820	260,551	11,269
Bowen - - - - -	278,540	188,802	89,738
Cooktown - - - - -	374,472	374,472	—
Cairns—Herberton - - - - -	1,519,775	1,497,606	22,169
Normanton - - - - -	776,410	350,376	426,034
Surveys (not yet apportioned) - - -	45,170	—	45,170
Telegraph lines (not yet apportioned) -	3,153	—	3,153
Permanent way material (not yet apportioned)	160,000	—	160,000
Rolling stock, all railways (not yet apportioned) - - - - -	91,333	—	91,333
	25,765,457	23,494,096	2,271,361
Unforeseen expenditure (miscellaneous works, relaying, &c.) - - - - -	—	327,894	—
Total loan expenditure to 30th June, inclusive of depreciation - - - - -	—	23,821,990	—

Revenue and Expenditure (All Railways.)

Years (ended 30th June).	Miles.	Receipts.	Expenses.	Net Revenue.
		£ s. d.	£ s. d.	£ s. d.
1901-2 - - -	2,801	1,316,828 13 1	992,751 5 11	324,077 7 2
1902-3 - - -	2,827*	1,215,914 8 7	863,382 6 8	382,532 1 11
1903-4 - - -	3,044	1,296,960 12 1	811,951 2 9	485,009 9 4
1904-5 - - -	3,092	1,409,414 4 10	814,743 14 1	594,670 10 9
1905-6 - - -	3,137	1,534,879 17 5	863,356 4 1	671,523 13 4

* { Bowen line (48 miles) closed from 1st February 1903. Re-opened 4th November 1904.
{ Cooktown line (68 miles) closed from 1st February 1903. Re-opened 1st July 1904.

Charge on the Consolidated Revenue Fund (All Railways.)

	1901-2.	1902-3.	1903-4.	1904-5.	1905-6.
	£	£	£	£	£
Interest on expenditure to 30th June	837,205	859,986	873,006	876,568	881,414
Net income on railways to 30th June	324,077	382,532	485,009	594,670	671,524
Actual charge on the consolidated revenue fund for the year -	513,128	477,454	387,997	281,898	209,890

5. SOUTH AUSTRALIA.

The railways in South Australia are all State-owned, with the exception of one steam tramway belonging to the Broken Hill Proprietary Company. Two lines which were built by private companies have been acquired by the State, viz., the lines between Adelaide and Glenelg (a total mileage of 12 miles 55 chains), and that from Woodville to Grange (a total mileage of 3 miles 44 chains). The first named was taken over by the Government on the 16th December 1899, and the latter on 1st January 1893, the purchase money amounting to £120,000 and £2,000 respectively.

The following tables show the financial results for the last two years for which the figures are available.

Comparative Summary of the Years ended June 30th, 1905, and June 30, 1906.

Item.	1904-5.	1905-6.
Average No. of miles open for the year - - -	1744½	1745¾
Capital cost on miles open and completed - - -	13,587,406l.	13,610,520l.
Revenue (gross earnings) - - - - -	1,273,321l.	1,349,765l.
Working expenses - - - - -	736,791l.	764,385l.
Net revenue (balance after paying working expenses) -	536,530l.	585,380l.
Percentage of Working expenses to revenue - - -	57·86 per cent.	56·63 per cent.
Percentage of net revenue to capital cost (on average number of miles open) - - - - -	3·95 „ „	4·30 per cent.

The working expenses shown above include the following expenditure on account of replacements of rolling stock, recoups on account of condemned buildings, &c., originally paid for out of capital:—

Class of Expenditure.	1904-5.	1905-6.
	£	£
Locomotives - - - - -	530	21,758
Carriages - - - - -	2,213	4,384
Wagons - - - - -	5,480	11,080
Relaying between Petersburg and Cockburn -	42,614	19,766
Other relaying, re-sleepering, &c. - - -	27,432	28,615
Recoup to capital for condemned buildings -	610	9,983
Other extraordinary maintenance - - -	5,512	7,718
Totals - - -	84,391	103,304

6. TASMANIA.

Lines open on 30th June 1906, 462½ miles, capital cost 3,926,713*l*. Included in this are 122 miles purchased in October 1890 (1,106,500*l*.), and three-quarters of a mile purchased March 1905 (3,250*l*.)

Particulars of Revenue and Expenditure for the past Two Years.

Item.	1904 5.	1905-6.
	£	£
Total revenue - - -	243,556	241,188
Working expenses - - -	171,630	172,601
Interest on Capital - - -	147,538	148,263
Net loss -	75,612	79,676

7. VICTORIA.

The whole of the railways of Victoria have been constructed by the State with the exception of 59·83 miles, and the acquirement of these lines was authorised by Parliament under the terms set out in the following statement.

No amounts of capital have been repaid out of the railway revenue, but of the total sum debited to capital account the following items are free from the payment of interest, viz.—

	£
Amount derived from the sale of State lands disposed of under Acts of Parliament for the purpose of providing funds for the construction and improvement of railways - -	2,825,740
Amount provided out of the consolidated Revenue for the redemption of State loans allocated to the railways - -	344,200
Accrued interest on loan moneys expended on certain lines during their construction, and debited to the capital cost of such lines - - - -	21,619
Amount expended under Surplus Revenue Acts and debited to sundry works of construction - - - -	110,824
Amount expended under Appropriations and Votes and debited to sundry works of construction, &c. - - - -	455,598

Total non-interest bearing funds at 30th June 1906 3,757,981

It will be observed on reference to the statement that at 30th June 1906 the mileage of railways in operation was 32 miles less than the total mileage of railways in Victoria at that date, and the difference is accounted for by the fact that, owing to the cost of working and the insignificance of the revenue derived therefrom, 31·81 miles of line have been closed against traffic, and, in addition, it may be mentioned that a further total length of 16·07 miles has been dismantled through similar causes and is not, therefore, included in the total mileage for the purposes of this Return.

VICTORIAN RAILWAYS DEPARTMENT.

Return showing Particulars in Respect of the Construction or Acquisition, and of the Financial Results of the Working of the Government Railways of Victoria.

	Total Mileage of Railways at 30th June 1906.			Total Mileage operated at 30th June 1906.			Cost of Construction as at 30th June 1906 or of Acquisition (including rolling stock, &c.).
	5' 3" Gauge.	2' 6" Gauge.	Electric.	5' 3" Gauge.	2' 6" Gauge.	Electric.	
Railways constructed by the Government.	3,284	82	4	3,252	82	4	£ 39,286,797
Railways acquired by the Government.	(a) 39 (b) 5 (c) 16	— — —	— — —	39 5 16	— — —	— — —	739,252 24,220 1,338,030
Grand total - -	3,344	82	4	3,312	82	4	41,388,299

Terms of purchase :—

- (a) This line runs from Newport to Geelong, and was purchased from the Company originally owning it as from 4th September 1860. The shareholders were reimbursed the whole of the paid-up capital, viz., 350,000*l.*, with interest, and the Government discharged all the liabilities, which together with the interest on the paid-up capital amounted to 389,252*l.*, making a total of 739,252*l.*
- (b) This line runs from Essendon Junction to Essendon, and its acquirement for the sum of 22,500*l.* was sanctioned by Parliament as from 26th August 1867. The expenses in connection with the purchase amounted to 1,720*l.*, and the total cost was therefore 24,220*l.*
- (c) This mileage represents four suburban lines purchased from the Hobson's Bay Company as from 1st July 1878. The authority of the Government for the purchase was obtained on the 14th November 1878, and the shareholders were paid at the rate of 80*l.* per 50*l.* share, amounting in all to 855,520*l.*, together with interest at 5 per cent. per annum until the purchase was completed by payment of the money. The sum paid to debenture-holders was 465,300*l.*, and the expenses and law charges and the cost of sundry stores taken at a valuation amounted to 17,210*l.*, making a total of 1,338,030*l.*

	Results of Operation during the Financial Years 1904-5 and 1905-6 respectively.		
	Year ending 30th June 1905.	Year ending 30th June 1906.	Increase (+) or Decrease (—) for Year ended 30th June 1906.
	£	£	£
Gross revenue - - - -	3,582,266	3,787,619	(+) 235,353
Working expenses - - -	1,871,138	1,999,023	(+) 127,885
Net revenue, after payment of working expenses.	1,711,128	1,788,904	(+) 77,776
Interest charges on capital cost, and expenses in connection therewith.	1,461,994	1,472,397	(+) 10,403
Net revenue after payment of working expenses, and interest charges, &c.	249,134	316,507	(+) 67,373
Special expenditures and charges in reduction of extraordinary liabilities taken over by the Commissioners at 1st July 1903.	248,485	117,542	(—) 130,943
Surplus - - - -	649	198,965	(+) 198,316

8. WESTERN AUSTRALIA.

Mileage open at 30th June 1906 - - - 1,612 miles.

Capital Cost to 30th June 1906.

Item.	Expenditure.
	£
Cost of construction - - -	9,141,787
Great Southern Railway (243 miles) acquired 1st December 1896.	800,000
Upper Darling Range Railway (15 miles, 17 chains), acquired 1st July 1903.	24,153
Total - - -	9,965,940

Financial Results.

Item.	Year ended 30th June 1905.	Year ended 30th June 1906.
	£	£
Gross earnings - - -	1,610,129	1,634,444
Working expenses* - - -	1,256,003	1,201,753
Profit on working - - -	354,126	432,691
Debited for interest on capital - - -	331,382	348,467
Net profit, after payment of working expenses and interest.	22,744	84,224

* In working expenses is included expenditure of a capital nature (amounting to 78,213*l.* in 1904-5, and, in 1905-06, 39,016*l.*), which should have been spread over a period of five years. This, however, on account of the various Acts, was found to be impracticable.

Contributions from Revenue for Capital to 30th June 1906.

	£
Towards cost of construction - -	599,250
Towards redemption of loan - -	147,602
Total - - -	<u>£746,852</u>

9. NEW ZEALAND.

The following table shows the railways built under the District Railway Act and acquired by the Government. The Acts under which the railways were built provided that the Government could acquire them at any time on payment of a sum agreed upon, and the amounts set out in the table are those

for which the lines were purchased when they became the absolute property of the State, from the date of the purchase in each case :—

Railway Line.	Date of Purchase or taking over.	Purchase Money.
		£
Morrinsville-Lichfield - - -	8th March 1886 - - -	155,187
Waimate-Waiho Forks Branch - - -	1st April 1885 - - -	33,900
Ashburton Forks Branch - - -	" " - - -	73,300
Duntroon-Hakataramea Railway - - -	" " - - -	61,100
Waimea Plains Branch - - -	1st April 1886 - - -	106,000
Kaihu Valley Railway - - -	27th July 1891 - - -	48,000
Coal Creek Railway - - -	7th May 1902 - - -	21,000
Midland valuation of works constructed by Company*.	25th May 1895 - - -	498,487 674,785
Total - - -		1,173,272.

* Cash actually paid, 150,000£, but large endowments of land were given to the Company while works were carried on.

The total capital expenditure on Government railways open for traffic in the colony of New Zealand was, up to 31st March 1907, 22,498,972£, and the capital expenditure proposed for lines now in course of construction, 1,593,113£, making a total of gross capital expenditure of 24,092,085£.

The following table summarises the working receipts and expenditure for the years ending 31st March 1906 and 1907 :—

Year.	Gross Revenue.	Working Expenses.	Profit on Working.
	£	£	£
1905-6 - - -	2,349,704	1,621,239	728,465
1906-7 - - -	2,624,600	1,812,482	812,118

No capital charges have been repaid out of revenue. The capital cost of the railways form part of the National Debt of the colony, and the whole of the profits accruing from the working of the railways of the colony are paid into the Consolidated Revenue.

10. CAPE COLONY.

1. The following table shows the lines purchased by the Government of the Cape :—

Line.	Length in Miles.	Purchase Price.	Date of Purchase.
Cape Town to Wellington -	58	£ 772,921	1872 (Cape Town and Wellington Railway Purchase Act).
Salt River to Wynberg - -	6	75,279	1876 (Wynberg Railway Purchase Act).
Zwartkops to Uitenhage - -	14	63,760	1874.
Bamboo Junction to Cape Collieries	16	49,000	1901.
Sterkstroom to Indwe - -	66	438,500	1901.
Total - - -	160	1,399,460	

2. The next table gives a summary of the financial results for the years 1905 and 1906 :—

Year.	Railway System.	Miles open (Average)	Gross Revenue.	Working Expenses.	Net Revenue.	Capital Cost to 31st December (including Betterment).	Capital entitled to Interest for 12 Months.	Capital repaid from Revenue to 31st December.
1905	Western system -	£ 1,159	£ 1,875,938	£ 1,445,539	£ 430,399	£ 12,596,140	£ 12,311,795	£ —
	Midland system -	995	1,395,407	995,613	399,794	10,531,819	10,236,565	—
	Eastern system -	653	775,720	635,768	139,952	6,845,065	6,498,870	—
	Total -	2,807	4,047,065	3,076,920	970,145	29,973,024	29,047,230	2,615,784
1906	Western system -	1,242	1,856,194	1,478,558	377,636	13,039,172	12,865,343	—
	Midland system -	1,090	1,230,416	935,504	294,912	10,806,717	10,660,598	—
	Eastern system -	742	686,160	567,288	118,872	7,430,307	7,116,512	—
	Total -	3,074	3,772,770	2,981,350	791,420	31,276,196	30,642,453	2,732,624

11. NATAL.

1. The total mileage of railway worked by the Natal Government at 30th June 1906 was as follows :—

Situation of Railway.	Total Mileage owned.	Additional Mileage worked.	Total Mileage worked.
	Miles.	Miles.	Miles.
In Natal - - -	796½	50	846½
In Orange River Colony - -	88½	88½	176¾
Total - - -	885	138½	1,023½

2. The next table shows the capital outlay on the railways owned by the Natal Government :—

Item.	Length of Line.	Expenditure.
Cost of purchase :—	Miles.	£
(a) First section (January 1877) - - -	6	38,877
(b) Glencoe-Talana Coalfields (September 1899) -	7½	56,684
(c) Zululand Railway (June 1905) - - -	98	725,000
Cost of construction of lines built by the Government -	773½	6,896,359
Subsequent capital expenditure on locomotives, rolling stock, buildings, improvements, &c.	—	5,850,841
Total - - - - -	885	13,660,761*

* Exclusive of expenditure on 181 miles of line in course of construction.

The capital expenditure of 13,660,761*l.* includes the sum of 1,100,141*l.* spent from revenue during the years 1896–8.

No capital has been repaid out of revenue, but a sum of 64,902*l.* has been placed to sinking fund for redemption of debt, as has also a sum of 116,109*l.*, which was the net proceeds from an exchange of assets with the Transvaal.

3. The following table gives a summary of the financial results for the years 1905 and 1906 :—

Item.	1905.	1906.
	Miles.	Miles.
Mileage of sections - - - - -	775 $\frac{3}{4}$	935
Earnings :—	£	£
Passenger traffic - - - - -	475,927	441,765
Parcels, &c. traffic - - - - -	42,242	44,184
Goods, minerals and live stock - - - - -	1,347,559	1,497,499
Mails and miscellaneous - - - - -	66,830	63,076
Gross Earnings - - - - -	1,932,558	2,046,524
Deduct :—		
Natal-Zululand Railway Company's proportion (46 per cent.) - - - - -	15,652	16,841
Zululand Railway Company's proportion (46 per cent.) - - - - -	5,287	—
Net Earnings - - - - -	1,911,619	2,029,683
Expenditure :—		
Maintenance of ways and works - - - - -	153,964	162,846
Locomotive power - - - - -	531,071	470,300
Carriages and wagons (repairs and renewal) - - - - -	157,605	132,728
Traffic expenses - - - - -	376,169	414,133
General charges - - - - -	52,090	66,631
Pay of men on active service - - - - -	—	4,529
General stores (working expenses) - - - - -	10,152	9,696
Total Working Expenses - - - - -	1,281,051	1,260,863
Gross Profit for the year - - - - -	630,568	768,820
Interest charges on capital - - - - -	410,692	455,672
Interest charges to meet guaranteed 3 per cent. interest on capital - - - - -	18,294	—
Net Profit for the year - - - - -	201,582	313,148
Sinking fund contribution (part debt extinguished at 30th June 1904) - - - - -	—	56,244
Sinking fund contribution (part debt extinguished, incurred 1904-5) - - - - -	—	8,659
Profit to the Colony for the year - - - - -	135,506	221,875

12. TRANSVAAL AND ORANGE RIVER COLONY.

The railways in the Transvaal and Orange River Colony were acquired by the Imperial Government on the occupation of the new colonies. A part of the Orange Free State railways had been constructed by the previous Government out of revenue, and was therefore acquired free of cost. A sum of 2,063,000*l.*, however, was paid to the Governments of the Cape and Natal in liquidation of railway construction debts contracted by the Orange Free State Government and not paid for before the war. The Netherlands Railway in the Transvaal was seized by right of conquest on the occupation of the Transvaal, on the ground that the Company had taken active part in hostilities on behalf of the late South African Republic. Later, however, as an act of grace, the Imperial Government decided to pay out the holdings of the debenture-holders, under certain conditions, at a figure representing the average value of the debentures for the three years previous to the war, but it is not yet possible to say what the total cost of acquisition will be. In the case of the Pretoria-Pietersburg railway the Company was expropriated for the figure mentioned in the second of the appended statements. All these railways are now vested in the High Commissioner and Governor, and

are administered by the railway committee of the Inter-Colonial Council. The difference between the amounts paid over as net profit to the Inter-Colonial Council by the railways in 1904-5 and 1905-6 is accounted for by the fact that in 1904-5 the Inter-Colonial Council paid the interest on that portion of the guaranteed loan which had been expended on railways, whereas in 1905-6 the railway bore the interest charge on its own share of the loan. As the amount paid by the Inter-Colonial Council in respect of the railway debt in 1904-5 was about 800,000*l.*, the actual amount of profit paid to the Inter-Colonial Council by the railway for the two years is approximately the same.

The financial results for the years 1904-5 and 1905-6 were as follows:—

Item.	1904-5.	1905-6.
	£	£
Gross earnings - - - - -	5,062,147	5,284,672
Working expenses - - - - -	2,861,084	2,927,875
Net earnings - - - - -	2,201,063	2,356,797
Miscellaneous net income (+) or loss (-) - - -	+ 8,037	- 4,785
Appropriations for betterment fund, service of loan capital - - -	444,312	1,437,245
Net profit paid to the Inter-Colonial Council -	1,764,788	914,767

Sums provided from Revenue for Redemption of Guaranteed Loan.

Contributions to sinking fund of that portion of the guaranteed loan allocated to railway purposes, 19,478,000*l.*, at 1 per cent. for:—

	£
1903-4 - - - - -	194,780
1904-5 - - - - -	194,780
1905-6 - - - - -	194,780
Total - - - - -	584,340

Receipts and Expenditure on Capital Account as at 30th June 1906.

Receipts.	Amount.	Expenditure.	Amount.
	£		£
Contributions from revenue by late Governments.	2,388,891	Lines acquired:—	
Contributions from revenue by Central South African railways.	2,047,559	Netherlands South African railways.	8,982,870
Transvaal 3 per cent. guaranteed loan.	18,539,885	Orange Free State lines -	3,260,200
Basutoland Government loan -	70,000	Pretoria-Pietersburg Railway	1,673,991
Post Office loan - - -	293,000	Van Reenen-Harrismith -	266,095
		New lines built -	3,460,873
		Capital expenditure on open lines.	4,404,746
		Balance unexpended - -	1,290,560
Total - - -	23,339,335	Total - - -	23,339,335

III.—State Railways in Foreign Countries.

1. AUSTRIA-HUNGARY.

(a) AUSTRIA.

Table showing the cost of purchase or construction of the Imperial and Royal Austrian State Railways, and other capital expenditure connected therewith, to December 31, 1905 :—

Name of Line.	Length in Miles.	Cost in £ Sterling.	Date of Purchase.
A.—Railways purchased by the State :—		£	
Kaizerin-Elisabeth Bahn -	592 $\frac{1}{2}$	13,667,497	1st Jan. 1882.
Kaiser-Franz-Josefs Bahn -	445 $\frac{1}{2}$	9,290,435	1st May 1884.
Kronprinz-Rudolf Bahn -	500	12,895,525	1st Jan. 1884.
Eisenbahn-Pilzen-Priessen (Komo- tan).	171 $\frac{3}{4}$	3,083,182	1st June 1884.
Vorarlberger Bahn -	56 $\frac{1}{2}$	1,315,000	31st Dec. 1885.
Erzherzog-Albrecht Bahn -	112 $\frac{1}{2}$	1,958,892	1st Jan. 1892.
Galizische-Karl-Ludwig Bahn -	528 $\frac{1}{2}$	10,066,345	"
Eisenerz-Vordernberg -	12 $\frac{1}{4}$	497,500	1st Jan. 1893.
Laibach-Stein -	14 $\frac{1}{4}$	83,333	20th Dec. 1894.
Czernowitz-Nowosielitza -	19 $\frac{1}{2}$	208,333	1st Jan. 1894.
Lokalbahnen der oest Lokalbahnen- Gesellschaft.	222	3,036,134	"
Böhmische-Westbahn -	124 $\frac{1}{4}$	3,182,675	1st Jan. 1895.
Mährische-Greuzbahn -	68	752,383	"
Mähr.-Schlesische Zentralbahn -	90	1,185,700	"
Postelberg-Laun -	6 $\frac{1}{2}$	68,066	1st Jan. 1905.
Erste ung.-gal. Eisenbahn -	91	2,598,824	1st Apr. 1905.
Friedburg-Lengau-Schneegattern -	3 $\frac{1}{2}$	(Included under C. below.)	"
Wiener Verbindungsbahn -	4 $\frac{1}{4}$	313,402	{ 1st Jan. 1882, 1884, 1887 ; 1st May 1889; 1st Jan. 1895.
Dux-Bodenbacher Eisenbahn -	67 $\frac{1}{4}$	2,760,792	
Prasc-Duxer Eisenbahn -	104 $\frac{3}{4}$	2,351,325	1st Jan. 1892.
Niaschau-Wilkischen -	5 $\frac{3}{4}$	8,750	"
Asch-Roszbach -	9 $\frac{1}{4}$	46,095	1st Jan. 1905.
Braunau-Strasswalchener Bahn -	22 $\frac{3}{4}$	72,917	"
Dniester Bahn -	69 $\frac{1}{4}$	178,062	31st May 1877.
Niederösterr-Staatsbahnen -	95 $\frac{1}{2}$	764,553	24th Mar. 1876.
			6th Aug. 1878.
Total -	3,437 $\frac{1}{4}$	70,385,718	
B.—Railways constructed by the State -	1,641 $\frac{1}{4}$	20,823,403	
C.—Subsequent Capital Expenditure (to end of 1905) -	—	20,581,884	
Grand Total -	5,078 $\frac{1}{2}$	111,791,005	

The next table shows the working receipts and expenditure for the years 1904 and 1905 :—

Year.	Receipts.	Expenditure.	Net Profits on Working.	Rate of Interest on Capital shown by Profits.
	£	£	£	Per cent.
1904 - - -	11,303,444	9,014,330	2,289,114	2·38
1905 - - -	12,224,367	9,247,716	2,976,651	2·66

No allowance is made in the above statement of expenditure for the repayment of capital. As, however, the rate of interest paid by the State on the loans raised for railway purposes is much higher than the rate of profit earned, the net profit has always to be supplemented by a large sum provided by the Budget. The estimates for 1907 were :—

	£
Amount payable by State for interest, amortisation, &c., on capital for State Railways - - - - -	5,494,556
Less profit on working - - - - -	2,827,132
Estimated deficit to be provided by the Budget -	<u>2,667,424</u>

The amount of capital to be repaid out of income included above (in the form of amortisation charges and an allowance for terminable annuities), was estimated at 560,000*l.*

(b) HUNGARY.

The Directorate of the Royal Hungarian State Railways is unable to furnish any information as to the cost, conditions, or date of the acquisition of the separate lines of the Hungarian Railways. The following is a statement as to the financial position of the State Railways for the year ending December 31, 1906 :—

	£
Nominal capital of the State Railways (December 31, 1906) - - - - -	100,883,487
Amount of capital actually invested - - - - -	84,840,375
Total receipts, 1906 - - - - -	11,843,073
Total expenditure, 1906 - - - - -	7,477,622
Surplus of receipts over expenditure - - - - -	4,365,451

Of the nominal capital, 50,040,323*l.* was raised by means of loans ; of this, 2,421,442*l.* had been repaid up to the end of 1906 ; of the remainder of the nominal capital, 12,491,212*l.* was raised by the issue of 3½ per cent. and 4 per cent. Crown rents, and 38,351,950*l.* obtained from other sources of State revenue.

2. BELGIUM.

1. The total length of line worked by the Belgian State Railways on 31st December 1905, was as follows :—

	Miles.
Lines constructed by, or on behalf of, the State -	1,015
Lines purchased by the State - - - - -	1,323
Total mileage owned by the State - - - - -	<u>2,338</u>
Lines rented by the State - - - - -	152
Lines over which the State Railways have running powers - - - - -	25
Total - - - - -	<u>2,515</u>

2. The next table shows the total capital expenditure up to 31st December 1905, and, in the case of purchased lines, the date of acquisition :—

Lines constructed by, or on behalf of, the State - - - - -	£	£
		26,424,000
Lines purchased :—		
Mons-Manage (1st January 1857) -	421,000	
Papinster-Spa (16th September 1872) -	271,000	
Dendre-Waes (1st May 1876) -	2,108,000	
St. Ghislain-Erbisseul (16th September 1879) - - -	95,000	
Lierre-Turnhout (1st March 1882) -	176,000	
Marbehan-Virton (15th March 1881) -	278,000	
Karders System (1st January 1878) -	698,000	
Bassins-Houillers (1st January 1871) -	7,768,000	
Luxemburg (1st January 1873) -	5,094,000	
Antwerp-Ghent (1st January 1896) -	588,000	
Liège-Limburg (1st January 1896) -	1,400,000	
Ghent-Eecloo (1st January 1897) -	309,000	
Belgian Great Central (1st January 1897) - - - - -	8,649,000	
Plateaux de Herve (7th September 1897) - - - - -	925,000	
Sichem-Montaign (1st July 1898) -	14,000	
Liège-Visé (1st January 1899) -	401,000	
Hesbaye-Condroz (1st January 1900) -	990,000	
St. Trond-Hasselt (1st January 1900) -	170,000	
		30,355,000
Completion of lines purchased - - -		4,987,000
Completion of lines rented by the State -		378,000
Outbuildings of stations over the whole system (turn-tables, hydraulic columns, reservoirs, electric lighting and gas, &c.)		2,303,000
Surveys - - - - -		632,000
Rolling stock, workshops, machinery and tools, &c. - - - - -		23,247,000
Total - - - - -		88,326,000

3. The following are the financial results for the years 1904 and 1905 :—

	1904.	1905.
	£	£
Gross receipts - - - - -	9,310,527	9,718,073
Working expenses and pensions -	5,489,160	6,211,710
Net receipts - - - - -	3,722,167	3,706,362
Financial charges - - - - -	3,238,224	3,333,790
Net profit - - - - -	483,943	372,572
Capital repaid - - - - -	523,184	549,322
Total capital repaid since commencement - - - - -	—	10,827,238

3. BRAZIL.

There are few Union State Railways in Brazil, the Government having originally preferred to adopt the system of granting concessions to private enterprises and guaranteeing a fixed percentage—generally from 5 per cent. to 7 per cent.—on a fixed capital outlay at the end of a stated period (generally 60 years), the line to revert to the State on repayment of the

amount guaranteed plus any extra outlay agreed to by the Government, who generally reserve to themselves the right of expropriating the owners at the expiration of half that term.

This system was not on the whole found to work satisfactorily, for though some of the lines did so well as to make no call on the Government guarantee, many were constructed with the apparent intention of living on it entirely.

Out of a total of about 10,915 miles only some 807 miles, consequently, still enjoy Federal Government guarantees, 2,933 miles are leased out on various terms to private companies, 1,750 miles are administered by the Federal Government, and the remainder are in private hands or those of different States of the Union. The State railways in Brazil are treated as if purely administrative parts of the Government, and the figures appearing in any one of the annual reports do not necessarily represent the total which Congress will be called upon to meet.

The following railroads in Brazil are owned and administered by the Federal Government :—

- (1) *The Central Brazil Railway*, extension some 1,617 kilometres or 1,004 miles.

The cost of building was 204,386,287 milreis, or, at present exchange of 15 pence per milreis, about 12,775,000*l.* sterling. The receipts and expenditure for the last two years were :—

Year.	Receipts.	Expenditure.	Profit.
	Milreis.	Milreis.	Milreis.
1905 - - -	28,649,980	27,561,335	1,088,645 (about 68,000 <i>l.</i>).
1906 - - -	31,156,705	30,077,289	1,079,416 (about 67,500 <i>l.</i>).

The Ministry of Public Works state that they have no data to enable them to state what amount of the capital of any of these railways has been repaid out of revenue, but as it is only during the last few years that the Central Railway has shown any profit at all and that profit is so out of proportion to the cost of construction, it may be inferred that no portion of the cost has been repaid.

- (2) *The Rio de Ouro Railway*, extension some 119 kilometres or 74 miles.

The cost of construction was 2,970,020 milreis, or about 185,600*l.* sterling. The receipts and expenditure for 1904 and 1905 were :—

Year.	Receipts.	Expenditure.	Deficit.
	Milreis.	Milreis.	Milreis.
1904 - - -	238,403	514,512	276,109 (about 17,200 <i>l.</i>).
1905 - - -	230,444	512,475	282,031 (about 17,600 <i>l.</i>).

Of the 119 kilometres of this railway, 72 are open to general traffic, 12 to passenger traffic only, 20 for lumber traffic only, and the rest to special purposes.

The *permanent way* is reported to be in a satisfactory state of preservation. In 1904, 186 contos (say about 11,600*l.*), and in 1905, 179 contos (say about 11,100*l.*) were spent on it.

The object of this railway is to assist in supplying the capital with water from the mountains in the neighbourhood; it has always been worked at a heavy loss, until recently amounting to nearly six times its revenue.

(3) *The West of Minas Railway*, extension some 1,173 kilometres or 728 miles. Gauge 0·76.

This railway was one of the first constructed. It commences about 226 miles from Rio de Janeiro at Sitio, on the Central Railway. It was originally intended merely to open up the mining district of S. Joao d El Rei. Thence it subsequently extended north to the junction of the Paraopeba with the S. Francisco River. The gauge of this older portion of the railway was only 30 inches. Then followed further concessions from the Federal Government and the State of Minas Geraes, during the period of abnormal activity and enterprise which followed the downfall of the Empire, when vast undertakings were hastily conceived and lightly begun in many cases only to be abandoned from want of the necessary funds, or owing to insurmountable obstacles that had been overlooked or underestimated.

The Western of Minas Railway, by virtue of these concessions, was empowered to push southward through the State of Rio de Janeiro to the Port of Angra dos Reis *viâ* Livramento and Barra Mansa, while another branch was to run north to Catalao in the south of Goyaz *viâ* Canna Verde and Formiga.

These ambitious projects came to an abrupt termination from want of funds, after construction had been commenced, and the irregularity of the payment of the guaranteed interest by the Government of Minas Geraes increased their difficulties, and the Company became bankrupt. The railway, rolling stock, and other property belonging to the Company were sold by auction in 1903, the Federal Government being the purchasers. The railway will eventually be leased, but is at present being worked by the Federal Government.

The cost of purchase was 14,558,084 milreis, or about 910,000*l.* sterling. Receipts and expenditure for 1904 and 1905 were :—

Year.	Receipts.	Expenditure.	Profit (+) or Loss (—).
	Milreis.	Milreis.	Milreis.
1904 - - -	2,034,699	1,985,204	+ 49,495 (about 3,100 <i>l.</i>).
1905 - - -	1,745,285	1,873,171	— 127,886 (about 8,000 <i>l.</i>).

(4) *The Donna Christina Railway*, extension some 116 kilometres or 72 miles.

The cost of purchase was 6,498,133 milreis, or about 406,000*l.* sterling. Receipts and expenditure for 1904 and 1905 were :—

Year.	Receipts.	Expenditure.	Deficit.
	Milreis.	Milreis.	Milreis.
1904 - - -	104,992	315,598	210,606 (about 13,200 <i>l.</i>).
1905 - - -	107,520	398,237	290,717 (about 18,500 <i>l.</i>).

4. BULGARIA.

With the exception of two lines owned by, and of one leased to, the Oriental Railway Company, all railways in Bulgaria are both owned and worked by the State.

The Varna-Rustchuk Railway, 140 miles in length, was built by an English company between 1865 and 1868, and was purchased by the

Bulgarian Government in 1888 for the sum of 2,052,200*l.*; a further sum of 112,670*l.* has since been expended on rolling stock. The remaining 640 miles of State railways have been constructed by the State itself at a cost of 3,960,436*l.*, and there has been a further expenditure of 473,358*l.* on rolling stock. The total amount, therefore, expended by the State in purchasing, constructing, and equipping its railways has been 6,598,664*l.*

The financial results for the years 1904 and 1905 were as follows:

	Year.	Revenue.	Working Expenses.	Net Proceeds.
		£	£	£
	1904 - -	438,412	268,597	169,815
	1905 - -	444,976	302,528	142,448

The revenue from the railways appears in the Budget with the other State Revenues, and there are no statistics obtainable to show how far they have contributed towards the Sinking Funds of the various loans raised for their acquisition and construction.

5. CHILE.

There are 3,002 miles of railway in Chile, of which 1,592 miles are State owned. The only foreign railways are the Nitrates Railways, Limited, the Antofagasta and Bolivia Railway, and the Taltal Railway, and these are all owned by British companies.

In two cases lines have been acquired by the Government. The line from Tongoi to Trapiche was contracted for with the North American Syndicate in 1888 for 203,371*l.*, and up to 1905 54,254*l.* had been spent. In 1899 the banks foreclosed on a mortgage, and the unfinished railway was handed over to them for 19,250*l.*, the amount of the Company's indebtedness. On the 19th August 1901 a law was promulgated authorising the expenditure of the 19,250*l.* by the Government for the purchase of the line. The Coquimbo Railway, constructed by an English company, was bought by the Government under a contract approved by Congress on 10th February 1896, for 245,000*l.* (discounting 20,000*l.* paid for the section from Serena to Elqui); and from that date it formed part of the State railways.

There are no reliable statistics as regards the cost of construction of the State lines; the cost of new material and rolling stock is annually charged to expenses, and any deficit is passed to capital account.

The total railway service belonging to the State was valued in 1906 at 168,000,000 dollars, equal at the low rate of exchange to 8,400,000*l.* No capital has been repaid out of revenue. The following table shows the financial results for the years 1905 and 1906:—

	Year.	Receipts.	Expenditure.	Surplus (+) or Deficit (-).
		£	£	£
	1905 - -	1,072,103	1,040,946	+ 31,157
	1906 - -	1,240,252	1,417,510	- 177,258

NOTE.—The rate of exchange has been taken above at \$20 = 1*l.*

6. COLOMBIA.

The Sabana Railway (Ferrocarril de la Sabana) is the only Government Railway in Colombia. It is 24 miles long and connects Bogota, the capital of the Republic, with Facatativa, the terminal, whence there is communication by mule track with Honda, the port on the Rio Magdalena.

The railway was built in 1886 by a company formed by the Department of Cundinamarca and private capital. It cost \$1,000,000 Colombian money (then equivalent to about 140,000*l.*) divided into 10,000 shares, of which half were taken by the Department and half by private individuals. The National Government bought out the shareholders in 1899, and the Department shortly before the war, and has since been the sole owner.

No dividends were paid until 1905, so until then all net earnings were dedicated to betterment. The property was then valued at 200,000*l.* The gross earnings amount to about 3,000*l.* per month, and the expenses to 1,500*l.*

7. COSTA RICA.

The only railway owned by the Government of Costa Rica is that known as the Pacific Railway, which is intended to connect the capital (San José) with the port of Punta Arenas on the Pacific Coast.

It at present consists of two sections—that from San José to Santo Domingo (42 miles), and that from Punta Arenas to Esparta (13 miles), besides a branch line of five miles, making a total mileage in operation of 60 miles. The gap between the two sections is 17 miles, part of which has been already constructed. This railway has all been built by, and is the property of, the Government, the cost of construction so far having amounted to 825,290*l.*

The financial results during the last two years (ending 31st March) for which figures are available have been as follows :—

—				1904-5.	1905-6.
				£	£
Revenue	-	-	-	21,266	21,520
Working expenses	-	-	-	21,918	23,171
Net loss	-	-	-	652	1,651

No capital has been repaid out of revenue.

8. CUBA.

The following railways are owned by the Cuban Government :—

1. The Jucaro and San Fernando Railway, 40 miles in length, built by the Spanish Government for military purposes during the revolution of 1868 to 1878.
2. The Trinidad and Fernandez Railway, 19 miles in length, built by a private company, and subsequently acquired by the Government from 19th May 1891.

3. The Manzanillo and Bayamo Railway, of which only three miles were constructed at the commencement of the revolution of 1895.
4. The Triscornia and Cambute Railway, a short line of six miles in length, built by the Government of the United States during the American intervention.

No data respecting the cost of construction of any of these railways have been published, nor are any obtainable, as, with one exception, the railways were built by army engineers.

None of the railways are in operation, with the exception of the Jucaro and San Fernando, which has been leased to private parties; and no figures are available to show the financial results either as regards revenue, working expenses, profit or loss, or whether any of the capital has been repaid out of revenue.

9. DENMARK.

In 1905 there were in Denmark 1,137 miles of railway owned by the State, and 855 miles which were the property of private companies largely subsidised by the State.

The first Danish railway from Copenhagen to Roskilde was opened in 1847. It was built by a private company, the "Zealand Railway Company," without any State subsidy. The State, however, guaranteed that the Company should have the monopoly of prolonging the railway to Korsør. The length was 18·72 miles, and the cost of building was 12,570*l.* per mile. It paid, however, very badly, and in consequence the capital for its prolongation was not forthcoming. Not until the State had, by the Law of 27th February 1852, guaranteed 4 per cent. on the whole building capital was it possible to raise the whole capital. An English firm then undertook to build the railway, and it was opened to traffic in 1856. During the first three years it paid badly, and to enable it to pay 4 per cent. the State had to contribute about 20,550*l.*, an amount which was, however, subsequently repaid. The length of the railway was 68 miles, and the cost of construction was 10,528*l.* per mile.

In the course of the following 20 years the Zealand Railway Company obtained concessions for various railways, the State guaranteeing 4 per cent. on the capital employed in construction. The Company built a railway from Copenhagen to Elsinore, another in the south of Zealand, and another from Roskilde to Kalundborg. Altogether the Company owned 239 miles of railway, its share capital being 1,716,000*l.*, of which the State held 472,000*l.* The mortgage debt was 722,000*l.*

The fact that, in virtue of the Law of 24th May 1875, the Zealand Railways could be claimed by the State against purchase in cash of the Company's shares and debentures at par naturally resulted in the Company proving unwilling to construct such railways, inasmuch as they could not pay a proper dividend at once. The Company having no prospects of obtaining an extension of the terms of notice, agreed to transfer its railways to the State in 1880, and by the Law of 2nd July 1880 the Minister of Finance was authorised to negotiate the business with the Company so that the transfer to the State should date as from the 1st of January 1880. The share capital was to be redeemed at one-and-a-quarter times the amount in State bonds bearing interest at 4 per cent. from 31st December 1879, one-twentieth of which was to be refunded yearly by annual drawings. The mortgages on the railways in the same way were to be taken over by the State. On the 1st January 1880 the share capital amounted to 1,716,811*l.*, so that the share capital amounted to

The additional quarter to	-	-	1,716,811 <i>l.</i>
And the debentures to	-	-	429,202 <i>l.</i>
			722,222 <i>l.</i>

The total purchase price amounted to	-	-	<u>2,868,235<i>l.</i></u>
--------------------------------------	---	---	---------------------------

A few private railways in Zealand—the Grib-forest Railway and the East Zealand Railway—were built in 1880 by a new company. In these cases, too, the State guaranteed interest at the rate of 4 per cent. These railways are still worked as private undertakings.

In the islands of Lolland and Falster the State granted an 80 years' monopoly for a railway by the Law of 25th March 1872, and guaranteed 4 per cent. on an amount not to exceed 289,000*l.* This amount was, however, subsequently increased. This railway is still worked privately.

The first railways in Jutland and Funen, on the other hand, were built on the initiation of the State. After lengthy negotiations extending over several years the English firm of Peto, Brassey, and Betts, of London, obtained a concession for the Jutland and Funen Railways, the State guaranteeing 4 per cent. on the capital, but by the Law of 10th March 1861 these railways were transferred to the State, and the State became responsible for the amount spent by the firm in expenses of construction.

The Jutland Railway extended the length of the peninsula from Aalborg in the north to Vandrup in the south, touching all the towns in the east of Jutland, its length being 182 miles. A railway was also constructed across Langaa-Struer-Holstebro for a distance of 75 miles. The length of the railway on Funen-Nyborg-Odense-Skrib was 52 miles, making a total of 309 miles.

Payment for the whole plant was to be made, either in cash or in 4 per cent. State bonds, to be issued in London at a rate of 96 per cent. The whole building capital amounted to 2,167,000*l.*, of which 667,000*l.* were paid in bonds, the rest in cash. Later on the stations were enlarged and the rails relaid, so that the capital invested in construction was increased.

By the Law of 10th March 1861 the working of the railways was not to be effected by the State direct, but was to be entrusted to a special company which the English firm undertook to establish. This arrangement was carried out, but as it rendered any control of the working impossible, the State was authorised by the Law of 14th March 1867 to take over the working. The shares of the working company were purchased for 139,000*l.*

During the following years the building of State railways in Jutland (both of cross-lines in North, Central, and South Jutland, and of the trunk line parallel with the west coast) was continued, so that in 1879 the State railways had a mileage of 505 miles, and the total cost to the State for their construction had been 3,850,000*l.*, or 7,624*l.* per mile.

It should, however, be mentioned that in return for building these railways the State claimed a contribution from those districts which would in the first instance benefit by the railways. The Minister of the Interior was, however, unable to settle the question on so broad a basis, and by the Law of 26th May 1868 it was, therefore, decided that half of the expropriation price should be refunded by the county councils, who should be entitled to levy the proportional amount per mile by an annual assessment of Kr. 7 (7*s.* 10*d.*) per "hartkorn standard" on fields and meadows in those counties which were traversed by the railways, and of 33 øre (4½*d.*) per inhabitant in the market-towns until the amount was paid off. This sum amounted altogether to 250,000*l.*

With the completion of these railways the old system of State construction came to an end, and the railways which were built during the following years were constructed on a new system of private enterprise with State subsidy, generally 950*l.* per mile, for which amount the State became a shareholder in the railways with the right to take them over on condition of assuming the corresponding liabilities. The system, however, was not found very suitable, and the State bought up several of the small railways which had been built in the manner described. The State railway mileage in Jutland and Funen thus rose both by purchase and construction from 505 miles in 1879 to 723 miles in 1886, with a cost to the State of 5,200,000*l.* In 1894 the Rigsdag voted 1,000,000*l.* for building new State railways, and, in addition, considerable sums for subsidising private railways. These sums were to be raised by the issue of State bonds with interest at 3½ per cent. and irredeemable by the State until after 1910. The law contained detailed rules for the construction of private railways, and amongst them the stipulation that the right was reserved to the State to expropriate the railway after

the expiration of 25 years, either against payment of a sum 20 times the net profit during the last three years, or of the capital which had actually been spent on construction.

The following table shows the increase in railway mileage between 1894 and 1905 :—

—		1894.	1905.
		Miles.	Miles.
State railways	- -	About 1,034	1,137
Private railways	- -	„ 337	855
Totals	- -	„ 1,371	1,992

As will be seen, the length of the State railways has not grown much during the last 10 years, while private railways have increased considerably. This is due to the large subsidies from the State.

The 1,137 miles of State railway have cost the State about 10,555,000*l.* and have paid fairly well during recent years.

The financial returns for the years 1904-05 and 1905-06 were as follows :—

—		1904-05.	1905-06.
Receipts :—		£	£
Passengers	- - -	933,333	983,333
Goods	- - -	911,111	961,111
Post	- - -	61,111	61,111
Various	- - -	27,777	33,333
Reduced pay and pensions	- - -	39,888	44,443
Total	- - -	1,973,220	2,083,331
Expenditure	- - -	1,631,111	1,685,278
Surplus	- - -	342,109	398,053

The total capital invested in the State railways on the 31st March 1906 was about 11,400,000*l.*, so that the profits have not exceeded what is generally considered a fair return on invested capital, viz., between 3 and 4 per cent.

10. FRANCE.

State Railway.—The State Railway of France was acquired by the State in 1878, when 1,615 miles of line were bought for 280 million francs (11,200,000*l.*), to which a further 225 millions (9,000,000*l.*) had to be added for the completion of the lines. The total amount in 1905, including purchase of rolling stock, was 34,143,360*l.* This acquisition was the consequence of the financial embarrassment in which many of the smaller companies found themselves at this period. Unable to amalgamate themselves they turned to the larger companies, the Orleans and the Nord particularly. The Nord was in a sufficiently prosperous financial condition to take over the lines in its neighbourhood. Not so, however, the Orleans Company. The Chamber decided that the Orleans Company could not incorporate these smaller companies except on the condition that it should admit the permanent right of the State to settle the tariff of the railway; otherwise the State would buy the lines itself at a price based on the cost of the original construction minus the sum of the subventions accorded to the companies that had obtained the concessions. The result was the purchase as above. The Law of May 1878 sanctioned this operation, and the whole

line consisting of railways of "general and local interest" was declared of "general interest."

The conditions of this purchase were from a financial point of view extremely onerous for the State, which, to quote M. Brice's words in the Chamber on 7th March 1878, wittingly undertook this heavy charge as an "acte de bienfaisance et de générosité extrême," in view of the fact that most of the shareholders were small people who had invested most of their savings in these companies.

During the years 1881 and 1882 the State continued buying lines of "local interest" which were not prospering, in order to incorporate them in the system of "general interest," reimbursing the costs incurred by the concessionaires.

By 1879 the State had taken charge of 9,936 miles of railway dispersed all over France. Portions of these lines as they were opened were handed over to the administration of the State Railway, which became extremely unwieldy. Other portions which were too distant had to be organised on a provisional and frequently onerous basis. This situation being an impossible one, it became clear to the different Ministers who succeeded one another at the Travaux Publics that the only solution was the handing back of these lines to the different companies of which they formed affluents. These negotiations, however, fell through, and State purchase, commencing with that of the Orleans line, was much discussed. At this juncture occurred the financial crisis of 1882 on the Stock Exchange. State purchase was discovered to be too expensive a measure under the circumstances, and appeal had to be made to the Railway Companies to continue the works they had undertaken to carry out; the consequence was the Conventions of 1883, which still form the basis of the financial relations between the Railway Companies and the State.

The Conventions of 1883.

The State system was reformed by the amalgamation of the lines of private companies and of lines unconnected with one another and situated without cohesion in a sort of triangle with its angles in the neighbourhood of Chartres, Nantes, and Bordeaux respectively. Ten companies of different kinds went to form this system. Continuity of line was established from Paris to Bordeaux by passing over no less than 11 different sections of line, six belonging to different companies, and the rest being portions constructed by the State. Owing to the difficulties arising from these conditions inherited by the State Railway Administration, combined with some material disadvantages due to the economic character of the district served, the State Railway will always be an abnormal one suffering under abnormal and unfavourable conditions.

Financially the State system is still handicapped by the Conventions of 1883 with the companies of the West and Orleans, in that it has to pay a contribution of 3,600,000 francs (144,000*l.*) for the line and stations where they have common running powers, and by the abandonment of 5,000,000 francs (200,000*l.*) of the receipts. The State agreed to pay the Orleans Company an annuity of 2,348,000 francs (93,920*l.*) up till the end of its concession, and yet the lines handed over to it by the Company produced in 1899 only 2,314,790 francs (92,592*l.*), while the lines ceded by the State to the Orleans Company brought in a net profit of 3,087,197 francs (123,488*l.*). Further, the State ceded to the Ouest Company, in order to obtain the right of running over the section Chartres to Paris, its most productive lines Elbœuf to Rouen, St. Georges to Dreux and Chartres for 40 per cent. of the receipts of this section. The most singular condition by which the State bound itself was that by which it is forced to keep to a "legal itinerary." The total receipts from line worked outside this "legal itinerary" for communication between Paris, Bordeaux, and Tours on any State line *via* Chartres, and for communication between Bordeaux and Tours, Poitiers, and Chateau du Loir on any State line were reserved for the Orleans Company, with the deduction of 25 per cent. of the receipts actually received. Further, the transport tariffs by "grande vitesse" from or to Paris could not be lower than those of the Orleans Company.

Unfavourable as were the conditions imposed on the State Railway by the Conventions of 1883 they were still further aggravated by the "arrangements" of 1886. These "arrangements," which very considerably modified the situation of the State Railway, were merely approved by Ministerial decree. The arrangements related to the access of the State Railways to Paris and the contention of the Orleans Company that the State Railways stopped at Chartres, and a settlement was made to the effect that the contested zone—*i.e.*, that which, according to the State, should have direct access to Paris *viâ* Chartres, but which, according to the Orleans Company, should be drained to the advantage of the Orleans Railway—was subjected to a special *régime*. The traffic emanating from this region was considered, as far as Paris, State traffic, but with the condition that it must pass *viâ* Tours on the Orleans line, and consequently pay 60 per cent. of the cost of transport for right of passage and traction from Tours to Paris to the Orleans Company. By these means a second access to Paris was obtained, but it constituted a serious drain on the State Railway rather than affording it any relief. For communication with Paris the State Railway is divided into four principal zones. In one, the traffic belongs to the State system entirely (*i.e.*, it is transported *viâ* Chartres). In two others it is diverted at an early period on to the Ouest and Orleans Railways, and is lost to the State system; and in the fourth it joins the Orleans system at Tours, from which point 60 per cent. of the cost to Paris is handed over to that company. The difficulty of establishing rational through tariffs under these circumstances is easily understood, and the right of the State Railway to make such tariffs as far as Paris, which was stipulated by Article 16 of the Convention of 1883, has been rendered completely illusory by the "arrangement" of 1886, for the State can only exercise this right on condition that "the price" of transport be not less than that charged by the company for the same "transport from the junction to Paris or *vice versâ*." The tariffs on the Ouest Railway being lower than those on the Orleans, two separate tariffs would have to be drawn up for goods to Paris, according to the position of the station of origin in respect of the two companies. Such a solution is obviously impossible, and so it is only in a very few special cases that the State has been able to draw up fixed through tariffs to Paris.

Railways Guaranteed and Partly Constructed by the State.—By the Law of 1842 the State undertook to carry out the "infra structure" of the railways, *i.e.*, the levelling of the ground, the construction of the stations, &c., while the companies undertook the laying down the permanent way, the furnishing of the material, rolling stock, &c. Two-thirds of the cost of the acquisition of the land was to be borne by the localities traversed. At the end of the concession the State would take over the permanent way and the stock at the valuation of experts. The clause binding the different localities to contribute to the purchase of the land was given up in 1845 owing to the many claims, &c., that arose out of it. In 1847, as a result of the depreciation following on unsound speculation, many of the companies found themselves unable to raise money to continue the works. The State had thus the right in view of the non-fulfilment of the obligations of the companies, to put up the concessions for sale and hand over to the companies, such money as might accrue therefrom as an indemnity or, in the case of the absence of offers, to enter into possession of the works already executed. This was, however, not done, and the State came to the aid of the companies by prolonging the period within which the works must be completed, and by means of subsidies. By the end of 1851 there were 3,105 miles, of which only 2,173 were open to traffic, and two-fifths of the milliard and a half francs (60,000,000*l.*) already spent, had come from the State.

The beginning of the Second Empire was the signal for the rapid development of the railway system of France.

The three great features of this period were :—

- (1) The prolongation of the period of the concessions to 99 years.
- (2) The amalgamation of the different companies into a few large companies: Nord, Est, Ouest, P.L.M., Paris-Orleans, Midi.
- (3) The increase of concessions owing to the large companies being able to afford to undertake the construction of branch lines—in themselves unproductive—as feeders to the main arteries.

A second crisis occurring in 1857 appeal had to be made to the Government, which undertook to guarantee the interest to the railway companies.

By the Conventions of the 11th June 1859, the State guaranteed to the companies for the "new system," a net annual revenue sufficient to ensure the interest and the sinking fund for the duly certified costs of construction; for the "old system" no guarantee was granted, but its revenue was reserved for the companies up to the amount necessary (1) to pay the charges on the bonds issued for its construction; (2) to pay a dividend on the shares a little less than for the preceding years. The surplus of the net products of the old system was to be employed on behalf of the new system, in order to defray or diminish the amount of the sums the State would have to grant yearly to make up the guaranteed income. Thus the increase in the receipts from the old lines, which would ensue from the construction of the new feeding lines, would contribute to cover the charges for these latter. The sums advanced by the State were in the nature of advances rather than subventions, bearing interest at 4 per cent. When the net product of the two systems united should exceed the sum of the revenue reserved for the old system and the interest guaranteed for the new, the surplus was to be paid to the State each year, until the sums advanced were entirely repaid in capital and interest. In case the receipts were not of such a nature as to ensure repayment of the amount due to the State, at the termination of the concession the State would deduct the deficit from the value of the rolling stock, which it was bound to purchase from the companies at the valuation of experts. Should the companies, after paying off the advances made by the State, continue to make such profits as to enable them materially to increase their dividends, half the increase up to a certain point would be due to the State. Such remained roughly the state of affairs up to 1883, the guarantee of interest being extended during this period to the sums devoted to works of extension as traffic increased.

By the Conventions of 1883 the larger companies incorporated in their systems the majority of the lines of the programme of 1879. As regards work to be undertaken the State in principle continued to pay the expenses that still remained to be borne. For the lines that were not finished the companies had to subscribe to the cost of construction, but, taking into consideration the relatively low productivity of certain lines this subscription was limited in certain cases to 25,000 francs (1,000*l.*) a kilometre, *plus* the rolling stock and equipment. This sum was even fixed as low as 12,500 francs (500*l.*) for certain narrow-gauge lines.

In order that the State should not have to continue to make direct loans to meet these expenses, the companies agreed to raise the money by the issue of bonds on the condition that the Treasury should pay them each year the amount of the real charges of interest and sinking fund on these bonds. For two or three years previous to 1883 all the companies except the Ouest had ceased to require a guarantee. The Ouest, however, obtained the reduction of its debt from 240 to 160 millions (9,600,000*l.* to 6,400,000*l.*). The distinction between the old and the new lines was done away with, and all the clauses involving forfeiture were legally abolished. All the receipts and expenditure of each company were united in a single account, and the companies had to raise from the net profit:—

- (1) The sums necessary for the payment of interest and sinking fund of the bonds issued by it.
- (2) A fixed dividend and a statutory sinking fund of the shares.

If the net revenue was insufficient for the purpose of paying these guaranteed charges, the State had to advance the necessary money. On the other hand, the surplus, if there were any, had to be devoted to paying off the debts to the States. When the companies should cease to owe anything to the State, the surplus would belong to them up to a certain point, after which two-thirds would have to be handed over to the State.

After 1883 owing to another great financial depression traffic receipts decreased all over France to such an extent that all the Railway Companies except the Nord had to apply to the State for the guarantee. Thus, in 1884, the State had to pay 84 millions (3,360,000*l.*). Since then the sum has varied to a considerable extent, reaching 100 million francs (4,000,000*l.*) in 1893.

The financial results of the French railways for 1904 and 1905, as far as they are available, are shown in the appended tables. It must be noted that *in no case* have any of the great companies repaid any of the capital advances made by the State. However, in the last two years, for which figures are available, the Ouest alone has had recourse to the guarantee of interest. The Est, Orleans, and Midi have had a small surplus available for payment of part of the interest due to the State for the sums advanced to them.

MAIN LINES OF FRANCE.

Cost of Establishment and Results of Working for the years 1904 and 1905.

System.	Years.	Length in Miles.		Cost of Establishment, including Rolling Stock.		
		Total on Dec. 31.	Average for Year.	Participation of State.	Participation of Companies.	Purchase Price of Rolling Stock.
				£	£	£
State - - {	1904	1,727	1,812	6,892,387(a)	26,834,634(b)	4,968,905
	1905	1,727	1,812	6,892,990(a)	27,250,370(b)	5,029,668
Nord - - {	1904	2,307	2,312	4,004,737	68,450,560	18,849,120
	1905	2,307	2,312	4,011,459	69,103,400	19,192,160
Est - - {	1904	3,018	3,018	31,423,730	58,486,629	13,955,798
	1905	3,018	3,018	31,430,132	59,159,947	14,150,248
Ouest - - {	1904	3,693	3,649	37,492,801	65,620,932	11,151,562
	1905	3,693	3,662	37,673,990	66,278,161	11,284,548
Orleans - - {	1904	4,621	4,588	42,846,398	70,644,480	11,803,600
	1905	4,681	4,650	43,505,830	71,529,040	11,940,240
Paris-Lyons - {	1904	5,776	5,768	46,205,127	154,958,821	29,056,045
	1905	5,858	5,821	46,560,809	155,089,569	29,119,258
Midi - - {	1904	2,362	2,339	23,457,249	42,238,114	8,303,561
	1905	2,362	2,363	23,486,733	42,559,268	8,492,779

NOTES.—(a) Subventions paid by the State to the old companies, expenditure of the Orleans Company for the lines ceded by it to the State, and local subventions.

(b) Price of re-purchase, expenses of construction and completion of supplementary expenses.

System.	Years.	Result of Working.			Total
		Receipts.	Expenditure.	Net Product.	Net Product.
		£	£	£	£
State - - {	1904	2,080,251	1,511,425	568,826	568,826
	1905	2,152,865	1,557,011	595,854	595,854
Nord - - {	1904	9,505,080	5,070,560	4,434,520	4,416,891
	1905	10,096,000	5,363,280	4,732,720	4,721,452
Est - - {	1904	7,683,920	4,324,192	3,559,828	3,340,414
	1905	8,061,195	4,406,326	3,654,869	3,640,340
Ouest - - {	1904	7,865,271	4,487,197	3,378,074	3,375,775
	1905	8,071,183	4,575,928	3,495,255	3,497,894
Orleans - {	1904	9,270,661	4,370,505	4,900,116	5,012,028
	1905	9,841,643	4,595,595	5,246,048	5,362,641
Paris-Lyons - {	1904	18,380,440	8,685,913	9,694,527	9,678,927
	1905	18,929,084	9,348,515	9,580,569	9,569,415
Midi - - {	1904	4,606,170	2,110,848	2,495,322	2,495,322
	1905	4,639,618	2,137,603	2,502,015	2,502,015

Principal Conditions of the Concessions.

Year 1904.

Companies.	Length in Miles.	Dates of Expiration of Concession.	Dates from which the State reserves to itself the Right of Buying back the Concession.	Revenue reserved for the Shareholders.				Expiration of Period of Guarantee.
				For calculating the State Guarantee.		For Division of Profits.		
				Total.	Per Share.	Total.	Per Share.	
				£	£ s. d.	£	£ s. d.	
Nord - -	2,361	31 Dec. 1959	1 Jan. 1867	1,136,000	2 3 3	1,858,500	3 10 9½	31 Dec. 1914
Est - -	3,010	26 Nov. 1954	27 Nov. 1870	830,000	1 8 5	1,180,000	2 0 5	31 Dec. 1934
Ouest - -	3,766	31 Dec. 1956	1 Jan. 1884	462,000	1 10 9½	600,000	2 0 0	31 Dec. 1935
Orléans -	4,871	" "	1 Jan. 1873	1,344,000	2 4 9½	1,728,000	2 17 7	31 Dec. 1914
Paris-Lyons- Méditerranée.	6,086	31 Dec. 1958	1 Jan. 1875	1,760,000	2 4 0	2,160,000	2 14 0	" "
Midi - -	2,616	31 Dec. 1960	1 Jan. 1877	500,000	2 0 0	600,000	2 8 0	" "

NOTE.—For these six Companies the surplus of net profit after previous deduction of the revenue indicated in column 6 is paid to the State as reimbursement of the advances of guarantee with interest at 4 per cent. However, the Midi Company has had the rate of its interests reduced to 3 per cent from 1st July 1898, in accordance with the Convention of 3rd November 1896, approved by the Law of 27th November 1897. After the reimbursement of the advances of guarantee has been made, the surplus of net profit after previous deduction of the revenue indicated in column 8 is divided in the ratio of two-thirds for the State and one-third for the Companies.

Financial Position of the Companies on the 31st December in the Years 1904 and 1905.

Companies.	Years.	Shares.		Bonds.		Advances asked as Guarantee of Interest.*
		Capital Realised.	Capital Paid off.	Capital Realised.	Capital Paid off.	
		£	£	£	£	£
Nord - -	{ 1904	{ 9,275,000 {	362,624	63,546,135	14,069,760	—
	{ 1905		380,944	63,931,131	14,898,760	—
Est - -	{ 1904	{ 11,680,000 {	1,737,060	76,125,234	16,790,913	(-) 115,610
	{ 1905		1,819,220	76,727,295	17,692,264	(-) 403,144
Ouest - -	{ 1904	{ 6,037,917 {	937,260	78,537,467	17,886,262	396,443
	{ 1905		981,160	78,944,455	18,829,732	299,372
Orléans -	{ 1904	{ 12,311,383 {	2,351,220	86,731,008	19,455,830	(-) 129,247
	{ 1905		2,447,320	87,451,986	20,557,030	(-) 364,482
Paris-Lyons- Méditerranée.	{ 1904	{ 13,638,722 {	—†	178,821,368	40,112,085	—
	{ 1905		—†	177,210,331	42,187,210	—
Midi - -	{ 1904	{ 6,652,761 {	341,600	50,805,794	10,093,520	(-) 14,620
	{ 1905		362,700	50,979,160	10,654,540	(-) 20,934

* The figures in column 7 preceded by the sign (—) indicate the reimbursements made or to be made by the Companies.

† The amortisation of the shares will only come into force from the beginning of 1907.

11. THE GERMAN EMPIRE.
A.—GENERAL LIST OF THE GERMAN STATE RAILWAYS.

	Name of the State Railway.	Length in 1904.	Length.		Capital Invested.*		Remarks.
			Built by the State.	Acquired by Purchase.	Entire.	Per Kilometre.	
1	Alsace-Lorraine State Railways.	Miles. 1,080	Miles. 536	Miles. 544	£ 32,040,356	£ 18,440	To 1. The following have been acquired :— 1. The railways in Alsace-Lorraine in accordance with treaty of peace 10/20 May 1871 - - - 2. Colmar-Münster - - - 3. Saarburg-Saargemünd, Courcelles-Teterchen and Château-Salins-Chambrey in 1872-1876 - - - 4. A few short lines - - -
2	Military Railway -	44	44	—	395,912	5,606	To 3. In list B. on the following page are the railways acquired and the laws from which the price and conditions of the purchase may be seen.
3	Combined Prussian and Hessian State Railways.	21,017	10,513	10,504	437,726,979	19,942	
4	Bavarian State Rail- ways.	3,942	3,127	815	77,799,236	12,263	To 4. Acquired as follows :— In 1844/45 = 39 miles private lines. In 1862/63 = 55 miles private lines. " 1853/54 = 23 " " " 1864/65 = 7 " " " " 1854/55 = 3 " " " 1865/66 = 60 " " " " 1858/59 = 17 " " " 1876 = 567 " " " " 1860/61 = 13 " " " 1896 = 19 " " " " 1861/62 = 11 " " " " " "
5	Saxon State Rail- ways.	1,675	1,060	615	47,792,294	17,732	To 5. The railways acquired are given fully in List C. (page 41).
6	State Railways in Württemberg.	1,157	1,146	11	30,938,313	16,619	To 6. Acquired :— In 1899 = 4 miles private lines. In 1904 = 7 miles private lines.
7	State Railways in Baden.	1,000	864	136	31,808,140	19,773	To 7. Acquired :— In 1880 = 88 miles private lines. In 1890 = 4 miles private lines. " 1887 = 4 " " " 1894 = 14 " " " " 1889 = 12 " " " 1904 = 13 " " "
8	Mecklenburg Fried- rich-Franz Rail- way.	674	97	582	4,475,414	4,095	To 8. Acquired :— In 1889 = 367 miles private lines. In 1896 = 44 miles private lines. " 1893 = 172 " " " " " "
9	Oldenburg State Railways.	314	314	—	2,430,164	4,810	

* The capital invested represents the net amount paid by the present owner for the railway.

B.—LIST OF RAILWAYS ACQUIRED BY THE STATE IN PRUSSIA AND HESSE.

Names of the Lines.		Length in Miles.	Total Mileage.
1.—FROM PRUSSIA.			
1852	Lower Silesia-Mark Railway (Law of March 31, 1852) -	242	242
1855	Münster-Hamm Railway (Law of April 30, 1855) -	22	22
1872	Tannus Railway (Law of May 3, 1872) - - -	31	31
1876	Halle-Münden (Law of June 7, 1876) - - -	123	138
	Nordhausen-Nyxei (Law of June 7, 1876) - - -	15	
1880	Berlin-Stettin Railway (Law of December 20, 1879) -	597	3,106
	Magdeburg-Halbestadt Railway (Law of December 20, 1879).	637	
	Hanover-Altenbeken Railway (Law of December 20, 1879).	166	
	Cologne-Minden Railway (Law of December 20, 1879) -	688	
	Rhein Railway (Law of February 14, 1880) - - -	805	
	Berlin-Potsdam-Magdeburg (Law of February 14, 1880)	162	
	Hamburg Railway (Law of February 25, 1880) - - -	11	
	The Hessian portion of the Main-Weser Line (Law of March 7, 1880).	40	
1882	Berg-Mark Railway (Law of March 7, 1880) - - -	830	1,506
	Thuringian Railway (Law of March 7, 1880) - - -	313	
	Berlin-Anhalt Railway (Law of March 7, 1880) - - -	267	
	Cottbus-Grossenheim Railway (Law of March 7, 1880) -	96	
1883	Berlin-Görlitz Railway (Law of March 28, 1882) - - -	198	579
	Mark-Posen Railway (Law of March 28, 1882) - - -	175	
	Rhein-Nahe Railway (Law of March 28, 1882) - - -	75	
	The "Lippe" portions of the Hanover-Minden Line (Law of January 24, 1884).	15	
	The "Bremen" portions (Law of May 17, 1884) - - -	116	
1884	Upper Silesian Railway (Law of January 24, 1884) - - -	904	2,108
	Right bank of Oder Railway (Law of January 24, 1884) -	209	
	Posen-Kreuzburg Railway (Law of January 24, 1884) -	124	
	Breslau-Schweidnitz-Freiburg Railway (Law of January 24, 1884).	373	
	Altona-Kiel Railway (Law of January 24, 1884) - - -	186	
	Berlin-Hamburg Railway (Law of May 17, 1884) - - -	270	
	Tilsit-Insterburg Railway (Law of May 17, 1884) - - -	33	
	The Hamburg-Bergedorfer Line (Law of May 17, 1884)	9	
1885	Brunswick Railway (Law of February 23, 1885) - - -	222	689
	Schleswig Railway (Law of February 23, 1885) - - -	144	
	Münster-Enschede Railway (Law of February 23, 1885) -	36	
	Halle-Soran-Guben (Law of February 23, 1885) - - -	187	
	Öls-Gnesen Railway (Law of May 17, 1884) - - -	100	
1887	Angermünde-Schwedo Railway (Law of March 28, 1887)	14	327
	Upper Lusatian Railway (Law of March 28, 1887) - - -	99	
	Berlin-Dresden Railway (Law of March 23, 1887) - - -	113	
	Nordhausen-Erfurt Railway (Law of March 28, 1887) -	76	
	Aachen-Jülich Railway (Law of March 28, 1887) - - -	25	
1889	The lines Bismarck-Landesgreuze (Law of April 8, 1889)	32	55
	and Bocholt-Landesgreuze in the direction of Winterswyte (Law of April 8, 1889).	7	
	Gotha-Ohrdruf (Law of May 11, 1888) - - - - -	11	
	and Fröttstädt Friedrichroda (Law of May 11, 1888) -	5	
Carried forward - - -		8,803	8,803

B.—List of Railways acquired by the State in Prussia and Hesse—*cont.*

Names of the Lines.		Length in Miles.	Total Mileage.
Brought forward - - - -		8,803	8,803
1890	Wernshausen-Schmalkalden (Law of May 9, 1890) -	4	} 289
	Lower Elbe Railway (Law of May 9, 1890) -	66	
	West Holstein Railway (Law of May 9, 1890) -	62	
	Schleswig-Holstein, "Marschbahn" (Law of May 9, 1890)	157	
1893	Stargard-Posen (Law of January 24, 1884) - -	107	107
1895	Weimar-Gera (Law of July 16, 1895) - - -	42	} 235
	Saal Railway (Law of July 16, 1895) - - -	58	
	Werra Railway (Law of July 16, 1895) - - -	135	
1896	On April 1 the line Zittau-Nikrisch was transferred to the Kingdom of Saxony (Law of January 28, 1896).	14	14
1897	The Hessian Ludwig line, Prussian part (Law of December 16, 1896).	91	91
1898	The line Aachen Rh. (excl.) Richterich-Kohlscheid, as far as it is in joint possession of the Aachen-Mastricht Railway Company (Law of August 4, 1897).	3	} 4
	and the line Richterich-Dutch frontier to Maastricht (Law of August 4, 1897).	1	
1902	Ostrowo-Skalmierzye Railway (Law of May 20, 1902) -	10	} 15
	Eisenberg-Crossen Railway (Law of May 20, 1902) -	5	
1903	Marienburg-Mlawka Railway (Law of May 18, 1903) -	93	} 595
	Altdamm-Holberg Railway (Law of May 18, 1903) -	111	
	Stargard-Güstrow Railway (Law of May 18, 1903) -	119	
	Kiel-Eckernsörde-Flensburg Railway (Law of May 18, 1903).	50	
	Dortmund-Gronau-Entschede Railway (Law of May 18, 1903).	60	
	East Prussian Southern Railway (Law of May 18, 1903) - and Fischhausen-Palmuicken handed over by the Mining Administration.	151 11	
1904	Breslau-Warsaw Railway (Law of June 25, 1904) - -	34	34
Total I. of Prussia - - -		10,157	10,157
II.—FROM HESSE.			
1897	The Hessian Ludwig Railway, Hessian part (Prussian Law of December 16, 1896; Hessian Declaration of December 17, 1896).	340	340
Total of Prussia and Hesse - - -		10,497	10,497

C.—LIST OF RAILWAYS ACQUIRED BY THE STATE IN SAXONY.

	Names of the Lines.	Length in Miles.	Transferred to the State.	Remarks.
1847	Leipzig I. ("Bayerische Station)—Altenburg.	24	1.4.1847	
	Altenburg—Crimmitschau - - -	15	"	
	Crimmitschau—Werdau - - -	7	"	
	Werdau—Reichenbach i/V. ex. Station -	11	"	
1850	Riesa—Döbeln - - - -	16	31.12.1850	
	Döbeln—Limmritz - - - -	2	"	
1851	Görlitz—Reichenbach (Upper Lausatia) -	9	31.1.1851	
	Reichenbach (Upper Lausatia)—Löbau -	6	"	
	Löbau—Bautzen - - - -	13	"	
	Bautzen—Bischofswerda - - - -	12	"	
	Bischofswerda—Radeberg - - - -	13	"	
	Radeberg—Dresden—(Neustadt) - -	10	"	
1868	Dresden—Altstadt—Tharandt - - -	9	1.7.1868	
1870	Kieritzsch—Borna - - - -	4	1.10.1870	
1871	Zittau—Löbau - - - -	21	1.1.1871	
1876	Bruni—Greig—Aubachstal - - - -	6	1.1.1876	
	Nossen—Freiberg - - - -	15	"	
	Freiberg—Mulda - - - -	9	"	
	Zeithain—Elsterwerda - - - -	12	"	
	Wolfsgefährt—Greiz - - - -	16	1.7.1876	
	Greiz—Planen in V. und Station -	14	"	
	Planen i/V. und Station—Weischlitz -	4	"	
	Zwicken—Falkenstein - - - -	22	15.7.1876	
	Chemnitz—Aue - - - -	32	"	
	Aue—Schöneck - - - -	28	"	
	Schöneck—Adorf - - - -	11	"	
	Zwota—Klingenthal - - - -	5	"	
	Rositz—Hainichen - - - -	12	10.8.1876	
	Landesgrenze—Reitzenhain - - -	1	16.12.1876	
	Reitzenhain—Marienberg - - - -	11	"	
	Marienberg—Flöha - - - -	24	"	
	Pockau—Olbernhau - - - -	7	"	
1878	Gosnitz—Gera (Reusz) Pr. St. E. -	22	1.1.1878	
	Glauchau—Penig - - - -	12	1.8.1878	
	Penig—Rochlitz - - - -	13	"	
	Rochlitz—Grossbothen - - - -	11	"	
	Grossbothen—Wurzen - - - -	16	"	
	Weigert—Annaberg - - - -	12	1.7.1878	
1882	Lugau—Wüstenbrand - - - -	7	1.1.1882	
	Werdau—Weida - - - -	20	1.4.1882	
1886	Gaschwitz—Meuselwitz - - - -	17	1.1.1886	
1888	Dresden (Friedrichstadt)—Elsterwerda -	32	1.4.1888	
1892	Grenze—Schleiz - - - -	5	1.1.1892	
1895	Meuselwitz—Ronneburg - - - -	16	1.1.1895	
1896	Zeitz—Altenburg - - - -	16	1.1.1896	
	Zittau—Nikrisch - - - -	14	1.4.1896	
1902	Meuselwitz—Spora - - - -	1	1.7.1902	
	Total - - - -	615		

D.—FINANCIAL RESULTS OF THE GERMAN STATE RAILWAY SYSTEM.

	Names of the Lines.	Receipts.		Expenses.			Net Profit.		REMARKS.	
		Total.	Per Mile.	Total.	Per Mile.	Percentage of Total Receipts (Working Co-eff-icent).	Annual available Returns.	Per Mile.		
										Percentage of the Capital employed. (Income per cent.)
FINANCIAL YEAR 1904.										
1	Imperial Railways	£ 4,932,105	£ 4,161	£ 3,639,950	£ 3,071	73·80	£ 1,292,155	£ 1,090	4·08	There are no statistics concerning the expenditure of the profits, so that the amounts paid out cannot be given, especially as in some Federal States the Railway Debt is united with the general National Debt. The following particulars may be given:— To 3. The Railway Debt is united with the National Debt. In the years 1882–1904, 1,105 million marks were paid towards the debt. To 4. There is no system of liquidation of the Railway Debt. To 5. The Railway Debt is united with the general National Debt. To 6. Since 1903 the Railway Debt and the remaining National Debt is discharged to the extent of at least $\frac{2}{3}$ per cent. To 7. The Railway Loans are paid within given periods. To 8. There are no fixed principles for discharging the Railway Debt. To 9. As 8.
2	Military Railway	26,819	611	27,089	618	101·00	270*	7*	—	
3	United Prussian and Hessian State Railways	78,663,330	3,766	47,553,497	2,277	60·45	31,109,833	1,489	7·19	
4	Bavarian State Railways	9,073,509	2,379	6,580,857	1,724	72·53	2,492,652	655	3·25	
5	Saxon "	6,804,087	4,019	4,520,710	2,669	66·44	2,283,377	1,350	4·80	
6	Württemberg "	3,168,093	2,745	2,178,485	1,888	68·76	989,608	857	3·23	
7	Baden "	4,124,581	3,978	2,823,862	2,724	68·46	1,300,719	1,254	4·16	
8	Mecklenburg Friedrich-Franz Railway	699,255	1,030	480,772	708	68·75	281,483	322	4·89	
9	Oldenburg State Railways	595,868	1,695	443,736	1,262	74·47	152,132	433	6·42	
	Total	108,087,647	3,504	68,248,958	2,213	63·14	39,838,689	1,291	6·05	
FINANCIAL YEAR 1905.										
1	Imperial Railways	5,343,742	4,441	3,932,236	3,268	73·59	1,411,506	1,173	4·37	
2	Military Railway	27,050	617	22,742	519	84·08	4,308	98	1·08	
3	United Prussian and Hessian State Railways	85,021,612	3,992	51,541,802	2,420	60·62	33,479,810	1,572	7·54	
4	Bavarian State Railways	9,585,230	2,449	6,755,834	1,726	70·48	2,829,396	723	3·58	
5	Saxon "	7,185,594	4,192	4,827,225	2,816	67·18	2,358,369	1,376	4·84	
6	Württemberg "	3,372,829	2,918	2,320,366	2,007	68·80	1,052,463	911	3·34	
7	Baden "	4,297,929	4,121	3,054,546	2,929	71·07	1,243,383	1,192	3·82	
8	Mecklenburg Friedrich-Franz Railway	754,412	1,111	501,743	739	66·51	252,669	372	5·60	
9	Oldenburg State Railways	630,300	1,749	428,820	1,190	68·03	201,480	559	8·18	
	Total	116,218,698	3,700	73,385,314	2,336	63·14	42,833,384	364	6·34	

* Loss in this case.

12. GREECE.

There are in Greece no State Railways, properly so called ; that is to say, none of the railways have been either wholly or partly acquired by the State. But the State has an interest in most of the railways, in some cases a large interest, having spent considerable sums in the construction of the lines and receiving a certain share of the profits. There are 13 lines now working and administered by companies. For all but three of these the State has incurred expenditure in the form of either loans, grants, or expropriations.

The expenses of construction and working, the receipts and profits, and the expenditure by the State, are shown in the appended tables for the years 1903 and 1904. No statistics for later years have yet been published.

The concessions to the companies terminate at various dates from 1943 to 1999.

The direct receipts of the State from all railways in 1904 are stated at only 8,061*l.*,* exclusive of taxes, dues, stamps, &c. Including these indirect revenues the State receipts would be about 45,450*l.* In some cases, when the shareholders of the Company have received 7 per cent. on their paid-up capital, the balances of net profits is to be divided between the State and the Company. In the case of the Peloponnesus Railway Company the State, in addition to this share in the net profits of each of the four lines worked by the Company, is also entitled to an amount of not less than 30 per cent. and not more than 50 per cent. of the total net receipts of the Company, in payment of the sum of 6,540*l.* due annually for the interest and sinking fund of 109,000*l.* advanced by the State in the years 1901-03. For this railway the State has incurred expenditure amounting to over 1,750,000*l.*; the receipts are larger than those of any other company, and the net profits in 1904 were 80,000*l.*

The other principal railways are the Thessalian and the Piræus Frontier. The latter deserves special mention on account of its importance to Greece, its connection with the Government, and the large loan raised by the State for its construction. The concession was given in 1900 by the Greek Government to the Eastern Railway Construction Syndicate, Limited, which formed a Greek company—"Société des Chemins de Fer Helleniques"—with a capital of 364,000*l.*, for the construction and working of the railway. The Board is composed of three directors appointed by the Government and eight appointed by the shareholders. The concession runs for 99 years, but may be redeemed in 1927. The convention concluded between the Government and the Company established a fixed kilometric charge for working expenses, any balances on which, up to 400 drachmas per kilometre, were to be divided between the Government and the Company. A sum of 600,000 drachmas was also to be set aside from the gross receipts for the payment of 6 per cent. on the capital. Provision was made for further charges on the gross receipts in the event of increased working expenses, and the net receipts were to be divided in the proportions of 7½ per cent. to the Company and 92½ per cent. to the Government up to the amount guaranteed for payment of interest and sinking fund for all bonds of the loan to be issued by the Government; and in the event of any further balance of net receipts, they were to be divided in the proportions of 70 per cent. to the Government and 30 per cent. to the Company.

In 1902 the State guaranteed a loan of 1,750,000*l.*, which was later increased by a further instalment, bearing interest at 4 per cent.; the amount issued up to date is about 2,000,000*l.* The line not yet being opened in its entirety, the receipts are small.

* For the purposes of this report 27½ drachmas have been taken as equivalent to 1*l.*, this being the rate of exchange at the date of the report.

The following table gives the financial results of the working of the Greek railways in 1903 and 1904, and the total contributions of the State up to those years :—

Year.	Companies and Railways.	Expenses of Construction to end of 1903.	Working Expenses.	Receipts.	Net Profits.	State Expenditure to end of the Year.				Direct State Receipts in the Year.
						Construction (Loans).	Subventions and Grants.	Expropriations.	Total.	
1903	Piræus-Athens -	£ 342,509	£ 43,299	£ 67,869	£ 24,178	—	—	—	—	From all the companies, 8,860l.
	Piræus-Athens - Peloponnesus (4 lines).	3,191,287	140,069	222,223	82,116	1,259,454	324,436	167,310	1,751,200	
	Attica -	196,363	20,029	28,437	8,408	—	—	—	—	
	Thessaly (3 lines)	1,191,040	32,626	77,243	44,617	—	102,800	14,800	117,600	
	North-West (2 lines).	278,287	7,681	11,852	4,277	136,607	13,090	4,490	154,178	
	Pyrgos-Katacolo	52,727	2,929	3,791	863	—	—	—	—	
	Piræus-Frontier	1,296,219	—	—	—	1,198,102	—	—	1,198,102	
	Total - £	6,548,432	246,633	411,415	164,459	2,594,163	440,326	186,590	3,221,080	
1904	Piræus-Athens -	342,509	50,267	68,479	19,034	—	—	—	—	From all companies, 8,061l.
	Piræus-Athens - Peloponnesus (4 lines).	3,193,766	135,844	215,937	80,093	1,259,454	324,436	169,715	1,753,605	
	Attica -	196,363	19,761	28,807	9,046	—	—	—	—	
	Thessaly (3 lines)	1,199,233	32,630	89,946	50,167	—	102,800	17,545	302,145	
	North-West (2 lines).	278,371	7,907	11,806	4,040	136,607	13,090	4,564	154,263	
	Pyrgos-Katacolo	52,727	2,961	4,191	1,230	—	—	—	—	
	Piræus-Frontier	1,571,680	28,591	32,636	4,044	1,417,978	—	—	1,417,978	
	Total - £	6,834,649	277,961	451,802	167,654	2,814,039	440,326	191,824	3,627,991	

13. GUATEMALA.

There are no railways now under the control of the State in this Republic.

The Northern Railway of Guatemala, the construction of which was commenced many years ago and carried to a certain point by the Government, was transferred to the present Guatemala Railway Company in 1904, conditionally on their completing it to the capital within three and a half years. Although the time has not yet arrived (June 1907), and the Government are, therefore, still the nominal owners of the part of the railway they had constructed, it is almost certain that the Company will fulfil the condition imposed on them and receive the transfer of the property before the end of the present year (1907). In the meanwhile the Government exercise no intervention in the management of the railway.

14. HONDURAS.

The only railway in Honduras is that running between Puerto Cortes on the Caribbean Sea and a place called Potrerillos on the road to the capital, which was built by, and is the property of, the Government. The length at present completed and in operation is 57 miles.

It is impossible to estimate the amount of money squandered on the construction of this railway, for which loans to the nominal amount of 6,000,000l. were issued in London and Paris between 1867 and 1870.

In August 1904 the receipts of the railway were estimated for the following year at 53,000l., and the working expenses at 32,000l. But in a report by the Director-General of Railways issued in the early part of 1906 it was stated that the net returns of the railway had declined in 1903-04 to 6,100l., and in 1904-05 to 2,320l. owing to the prevalence of yellow fever and the stoppage of the banana traffic.

15. ITALY.

The beginning of the development of the Italian railway system may be said to date from the opening of the line between Naples and Portici in the year 1839.

Owing to the political and economic condition of Italy during the first half of the 19th century, railway construction proceeded very slowly, and was undertaken either directly by the Government or indirectly by means of concessions granted to private persons, so that 20 years elapsed before each of the eight Italian States had railways in active operation. This may be illustrated by the following table :—

States.	Date of Opening.	Route traversed.	Length in Miles.
1. Kingdom of the Two Sicilies -	Oct. 4, 1839 -	Naples-Portici -	5
2. Kingdom of Lombardy Veneto -	Aug. 18, 1840 -	Milan-Monza -	8
3. Grand Duchy of Tuscany -	Mar. 14, 1844 -	Pisa-Livorno -	12
4. Duchy of Lucca -	Sept. 29, 1846 -	Lucca-Cerasomma -	4
5. Sardinian States -	" 24, 1848 -	Turin-Moncalieri -	5
6. Pontifical State -	Oct. 12, 1857 -	Rome-Frascati -	12
7. Duchy of Modena -	July 21, 1859 -	{ Piacenza-Bologna -	72
8. Duchy of Parma -	" 21, 1859 -		

At the time of the constitution of Italy as a kingdom in the year 1860, the total length of the railways amounted to 2,189 kilometres, distributed as follows :—

The Sardinian States	-	-	-	528 miles.
Lombardy-Veneto	-	-	-	377 "
Grand Duchy of Tuscany	-	-	-	201 "
Pontifical States	-	-	-	82 "
Bourbon States	-	-	-	79 "
Duchy of Parma	-	-	-	61 "
Duchy of Modena	-	-	-	31 "
Total	-	-	-	<u>1,359</u> "

In the year 1865 the Italian railway system was divided amongst four big companies to whom concessions for working the lines were granted.

The lines in question were thus characterised :—

Strade Ferrate dell' Alta Italia.

" " Romane.

" " Meridionali.

" " Calabro-Sicule.

In addition to this main system must be reckoned the railways of Sardinia, and a few unimportant lines, concessions for which had been granted to individual companies.

Although many of the above-mentioned lines had been originally built by the Government, yet, owing to various financial operations of which the railways formed the subject, State ownership at this period had practically ceased.

Between the years 1868-1880, however, the State proceeded successively to the redemption of three of the four principal lines. Thus the "Calabro-Sicule" was acquired in 1868, the "Alta Italia" in 1876, and the "Romane" in 1880.

From 1878 to 1885 these lines were worked by the State. By the terms, however, of a Convention dated April 27, 1885, the administration of all railways in Italy was left to private enterprise, the system being divided into three principal lines, viz. :—

Rete Mediterranea.

" Adriatica.

" Sicula.

The first and third of these lines were the exclusive property of the State, whereas the second, viz., the Adriatica, contained portions belonging to the

"Meridionali," above referred to, which Company took over the whole working of this line.

By the law of April 22, 1905, the State, with one or two insignificant exceptions, assumed the administration of all its lines, which, at this date, had a total length of about 6,210 miles.

To these were added by the law of July 15, 1906, the "Strade Ferrate Meridionali," with a total length of 1,366 miles, which passed into possession of the State in return for an annual rental of one and a half million sterling payable for 60 years.

On the 30th June 1907, that is at the end of the last financial year, the length of the lines worked by the State amounted to 8,216 miles, divided as follows :—

1. Lines belonging to the State	-	-	-	-	7,784 miles.
2. Lines belonging totally or in part to private companies or foreign administrations	-	-	-	-	318 "
3. Lines temporarily worked by the State	-	-	-	-	114 "
Total	-	-	-	-	<u>8,216</u> "

Negotiations are already in progress for the nationalisation of the greater part of the private lines above referred to.

In addition to the State railways already specified, Italy possesses 1,956 miles of secondary lines owned and worked by private enterprise. It is stated that it is not the intention of the Government to nationalise these lines.

Roughly speaking, therefore, it may be said that Italy possesses a network of railways amounting in length to 10,184 miles, of which 8,073 miles have been nationalised.

At the end of the last financial year, viz., on June 30, 1907, it was estimated that the total capital invested in Italian State railways might be computed at 226,254,000*l.*, divided as follows :—

£
191,520,000 for the construction and completion of lines prior to July 1905.
1,406,487 for work carried out on the lines after July 1905.
27,388,601 value of rolling stock.
107,516 value of floating material (ferries, &c.).
2,171,852 value of other material.
3,659,732 value of stocks (coal, oil, &c.).

£226,254,000 approximate total.

The financial results of the first year's working of the Italian State railways, *i.e.*, 1905-06, the Meridionali system excepted, as these lines were only nationalised in July 1906, may be summarised as follows :—

REVENUE.				£
Conveyance of passengers and goods	-	-	-	13,376,414
Sundry traffic receipts	-	-	-	179,121
Indirect receipts	-	-	-	54,593
Reimbursements	-	-	-	285,604
Total	-	-	-	<u>£13,895,732</u>
EXPENDITURE.				£
Ordinary expenditure	-	-	-	9,072,306
Extraordinary expenditure (1)	-	-	-	1,081,600
Additional outlay (2)	-	-	-	1,370,208
Total	-	-	-	<u>£11,524,109</u>

(1) Under "extraordinary expenditure" is reckoned extraordinary maintenance, renewal of rolling stock, change of equipment, expenses for sundry improvements, &c.

(2) Under "additional outlay" is reckoned hire of rolling stock, interest on sums advanced by the Treasury to the old companies for improvement works, payments to the reserve fund, and share of receipts due to a few small private lines worked by the State.

At the end of the financial year 1905-06, therefore, the net profits paid into the Treasury amounted to 2,371,623*l*.

The financial results achieved during 1906-07, including the "Meridionali" system, may be summarised as follows:—

RECEIPTS.

	£
Conveyance of passengers and goods	- 16,027,230
Sundry traffic receipts	- 234,639
Indirect receipts	- 89,705
Reimbursements	- 644,857
Total	- <u>£16,996,431</u>

EXPENDITURE.

	£
Ordinary expenditure	- 12,032,218
Extraordinary expenditure	- 1,240,000
Additional outlay	- 1,693,389
Total	- <u>£14,965,607</u>

The net profits paid into the Treasury for the last financial year amounted, therefore, to 2,030,824*l*.

This represents rather less than 1 per cent. on the capital sum of 226,254,000*l*. expended on the construction of lines and purchase of rolling stock.

In estimating this result it must be borne in mind that at different periods of railway development in Italy huge sums have been spent in the construction of lines which were never expected to pay, but the existence of which was a political necessity, and without which the unification of the country could never have been accomplished. So that cost of construction, rather than cost of working, must be considered as the determining factor in the poor return made to the Treasury on the capital outlay.

With regard to the cost of working the lines, the co-efficient, or ratio between ordinary and extraordinary expenses and total receipts, works out as follows:—

For 1905-06:—

$$\frac{10,153,906}{13,895,732} = \cdot 731.$$

For 1906-07:—

$$\frac{13,272,218}{16,996,431} = \cdot 783.$$

The increase of the co-efficient for the second year is due to the inclusion of the "Meridionali" system which yields proportionately less per kilometre than the other lines, to the increased expenses for improvement works, and to the increased wages paid to the railway personnel.

16. JAPAN.

The first Government railway in Japan, 18 miles in length, was that between Tokio and Yokohama, opened in the year 1872. Ten years later 150 miles of railway had been completed. In 1883 a private company was for the first time formed for the construction of railways, and in 1887 the Private Railway Regulations were issued. From that time both Government and private railway undertakings rapidly increased and by 1904 the length of the private lines was more than double that of the Government ones.

Although it had been the policy of the Government to encourage the construction of railways, considerable difficulty had been experienced in obtaining sufficient capital, owing to the laws actually in force which did not permit the hypothecation of railways; accordingly in March 1905 the Railway Mortgage Law was issued, with the approval of the Diet, enabling a private company to obtain a mortgage on any or all of the assets belonging to the railway. Previous to the issuing of the Private Railway Regulations in 1887, it had been the intention of the Government to keep the railways of the country in its own hands, but, though the general system of the chief trunk lines had been mapped out by the Government, it was decided that it would be more expeditious to leave this construction to private enterprise, and by the end of 1904-5 (the last year for which figures are available) there were 4,279 miles of railway in Japan open to traffic, of which 1,461 miles were owned by the State and 3,268 miles were in the hands of private companies.

In the spring of 1906, as part of the *post bellum* programme, the Government decided to bring in a Bill for the nationalisation of the railways. It was found that in addition to the Government lines there were more than thirty private railways; and that even the principal trunk line from Aomori to Shimonoseki was under the control partly of the Government and partly of various private companies.

In the Bill as originally drafted, it was proposed to purchase the lines belonging to 32 of the 38 private companies between the years 1906-11. But by an amendment of the House of Peers the number of companies to be bought was reduced to 17 on the ground that the remaining lines were insignificant in length and merely of local importance; the period of purchase was also extended to 1915, and in this form the Bill became law on the 31st March 1906.

The aggregate length of the 17 lines to be purchased is 2,812 miles and the cost of construction about 23,358,000*l.*, while the 1,461 miles of Government railways open to traffic cost slightly over 15,504,000*l.*, or an average of 8,306*l.* per mile for the private companies, against 10,615*l.* for the State-owned railways.

In accordance with the terms of the Railway Nationalisation Law, the Government is to purchase the above-mentioned railways within a period of 10 years from 1906-15, and from the day of purchase the Government succeeds to the existing rights and obligations of the company, provided such rights and obligations do not attach to any other business carried on by the company in addition to the railway.

Article V. of the law lays down the manner in which the purchase price is to be calculated, viz., as follows: (a) "A sum equal to twenty times the amount produced by multiplying the cost of construction on the day of purchase by the average ratio of profit, to the cost of construction during the six business half-years from the second half of 1902 to the first half of 1905." (b) "A sum obtained by converting the actual cost of articles in store at current price into public loan bonds at face value, except in the case of articles purchased with borrowed money." This amounts roughly to 20 years' purchase payable in 5 per cent. Government railway bonds at par. However, if the sum arrived at on this basis is insufficient to cover the construction expenses, or if the line has not been running for a period covering six business half-years, it is stated in Article VIII. that the Government will substitute a sum not exceeding the construction expenses to be agreed upon between the parties.

The purchase money is to be delivered within five years from the date of purchase; but until the public loan bonds are delivered the company is entitled to receive at fixed periods a sum of money equivalent to the rate of 5 per cent. per annum on the purchase price.

The Government is empowered to issue a loan not exceeding the amount necessary for carrying out the purchase of the railways, and it is calculated that the loan will amount to not less than 43,000,000*l.* to be redeemed out of the net profit accruing from the purchased railways. There will, moreover, be an annual saving in expenses through unification of about 130,000*l.* The entire loan will, it is computed, be redeemed within 32 years after the purchase of the railways and the annual profit from the lines after redemption of the loan is estimated at nearly five and a half millions sterling.

The following private railways have already been taken over, the appended table showing the cost of construction purchasing price, and date of nationalisation in each case :—

Name of Railway.	Construction Cost.	Purchase Price.	Date.
	£	£	
Koba - - - - -	338,500	992,500	1st Oct. 1906.
Hokkaido Colliery - - - - -	1,194,000	2,976,000	" "
Nippon - - - - -	5,558,000	13,317,000	1st Nov. "
Sanyo - - - - -	3,747,000	7,553,000	1st Dec. "
Ganyetsu - - - - -	263,600	Somewhat below construction cost.	1st Nov. "
Nishinari - - - - -	199,600	"	1st Dec. "

The following table shows the mileage open to traffic, cost of construction, gross earnings, expenses, net earnings, and average earnings per mile of the State Railways, and all private railways for the years 1903-04 and 1904-05, the last for which figures are available :—

	State Railways.		All Private Railways.	
	1903-4.	1904-5.	1903-4.	1904-5.
Mileage open to traffic - - -	1344·76	1461·38	3150·57	3232·8*
Cost of construction - - -	14,215,365 <i>l.</i>	15,514,535 <i>l.</i>	23,114,387 <i>l.</i>	24,582,500 <i>l.</i>
Gross earnings - - -	2,051,169 <i>l.</i>	2,183,425 <i>l.</i>	3,618,165 <i>l.</i>	3,808,948 <i>l.</i>
Expenses - - -	1,009,524 <i>l.</i>	965,324 <i>l.</i>	1,670,209 <i>l.</i>	1,751,874 <i>l.</i>
Net profit - - -	1,041,645 <i>l.</i>	1,218,101 <i>l.</i>	1,947,956 <i>l.</i>	2,077,074 <i>l.</i>
Average profit per mile - - -	812 <i>l.</i>	881 <i>l.</i>	634 <i>l.</i>	650 <i>l.</i>
Average construction cost per mile - - -	10,502 <i>l.</i>	10,615 <i>l.</i>	7,337 <i>l.</i>	7,614 <i>l.</i>
Percentage of expenses to gross earnings - - -	49·2	44·2	46·2	45·8
Profit per cent. of construction cost - - -	7·7	8·3	8·6	8·5

* 2,812 miles will be nationalised, leaving 430 miles of local railways in the hands of private companies.

17. LUXEMBURG.

The Government has directly intervened in the construction and working of railways by—

- (1) the grant of a subsidy or the concession of mining areas to persons or companies building railways; and
- (2) the construction of the lines known as "*vicinales*" (local lines).

1. *The lines built and worked by private concerns are :—*

- (a) Normal gauge: the "Guillaume-Luxembourg" system and the "Prince Henri" system.
- (b) Narrow gauge: the secondary and the cantonal railway systems.

The Guillaume-Luxembourg System (108 miles).—At the time of the grant of the concession for the line known as the Northern line (November 1856), the Government of the Grand Duchy accorded to the concessionaire a subsidy of 120,000*l.* for the work of construction; this subsidy was to be refunded “to the Treasury of the Grand Duchy from the half of the portion of the “net revenue in excess of 7 per cent. from all lines conceded.” The Northern line was constructed without difficulty as far as Diekirch, but its continuation, which was postponed in 1858, was undertaken only after the Government had granted a new subsidy of 200,000*l.* by way of assistance to the “Guillaume-Luxembourg” Company, which had taken the place of the above-named concessionaires.

The total Government subsidy then amounted to 320,000*l.*, and it was decided in December 1860 that, “as soon as the system shall have attained a “net revenue of 6 per cent. per annum, the excess of such revenue shall “be divided between the Government and the Company until the subsidy is “paid off.”

When, as a result of the Franco-German war, the German Empire took possession of the Guillaume-Luxembourg line, previously worked by the French Eastern Railway Company, it was decided, for the purpose of repaying by instalments the subsidy of 320,000*l.*, to allocate the whole of the residue of the gross receipts of the line, less working expenses, after deduction of the annual rent payable to the Guillaume-Luxembourg Company for the line leased, and of a sum for the repayment of the capital expended by the German Administration on the improvement and extension of the line.

Up to 1902 no payment had been made towards the refund of the subsidy of 320,000*l.* But an agreement entered into at that time definitely settled the question by stipulating that the German Government should repay the subsidy of 320,000*l.* to the Government of the Grand Duchy, and that this payment should be made in equal instalments of 20,000*l.* each, payable on 1st July of each year, the first instalment being due on 1st July 1903, so that before the end of 1918 the whole sum will have been repaid. From 1st July 1919, up to the end of 1959, the German Government is to pay a sum of 10,000*l.* annually to the Government of the Grand Duchy, as its share in the profits of the working of the Guillaume-Luxembourg Railways.

The “Prince Henri” Railway (117 miles).—By way of assistance in the construction of the “Prince Henri” lines, the secondary and the cantonal railways, the Government has granted the entrepreneurs mining concessions according to the importance and extent of the lines. The railway received successively about 1,494 acres of mining concessions, viz. :—

- (a) A concession of a total area of 1,235 acres for the construction of the line, conceded by the Law of 19th March 1869.
- (b) A concession of 185 acres granted by way of subsidy for the Bastogne-Kautenbach line (1st May 1876).
- (c) A concession of 74 acres for the construction of a line from Wasserbillig to Grevenmacher (31st January 1891).

The Secondary Railway Company (25 miles) received mining concessions covering 353 acres; and *the Cantonal Railway Company (27 miles)*, 380 acres.

2. Local Lines (“Lignes vicinales”).

The system of the construction of local lines by the State was established by the Law of 26th June 1897, relating to the working of a narrow-gauge line, $6\frac{3}{4}$ miles long, from Bettembourg to Aspelt.

This law makes the following stipulations :—

Art. 7. A special temporary fund is established in order to furnish the necessary capital :—

- (i.) for the construction of a local railway line from Bettembourg to Aspelt.
- (ii.) for the purchase of the rolling-stock required for the working of the said lines.
- (iii.) for the payment of interest at the rate of $3\frac{1}{2}$ per cent. on the capital sums referred to under (i) and (ii).
- (iv.) for the repayment of the said capital sums by annual instalments at the rate of $\frac{1}{2}$ per cent.

Art. 8. The fund shall be formed by means of credit allocated on the amount of the revenue due on account of mining concessions to be granted in future. The fund is always to be a credit fund.

The line, which was built with money advanced by the savings bank, was opened on 1st September 1899. It is worked by the "Société anonyme des chemins de fers régionaux belges," the headquarters of which are at Namur, for a fixed sum of 72*l.* per kilometre per annum and 75 per cent. of the receipts in excess, the remainder forming the portion received by the State. Up to 1st January 1907 the latter received a total of 305*l.*

The capital borrowed (32,000*l.*) is to be repaid :—

- (i) By means of the sums received by the State on account of the working of the line.
- (ii) By the revenue from mining concessions, at the excess rate of $\frac{1}{2}$ per cent. on the capital. Thus, 857 acres of mineral land, producing an annual revenue of 11,106*l.*, were conceded in 1898. This sum served for the formation of a fund of capital at the rate of 3*s.* 2*d.* of revenue to 4*l.* of capital, the latter bearing interest at the rate of $3\frac{1}{2}$ per cent. Up to 1st January 1907 (*i.e.*, after 7 years and 4 months' working) the amount of capital repaid amounts to about 1,540*l.*

The line from Bettembourg to Aspelt was soon followed by a second local line, *viz.*, that from Luxembourg to Echternach, with a length of 28 $\frac{1}{2}$ miles, built with the sums advanced by the savings bank, on the security of the revenue from mineral concessions.

The accounts for the construction of the line have not yet been definitely settled, but it appears at present that the initial capital cost will amount to about 256,000*l.* The line is worked by the "Société anonyme luxembourgeoise des chemins de fer secondaires" for a fixed payment of 112*l.* per kilometre per annum, *plus* one-half of the receipts in excess, the remainder being paid to the Government. The line was opened in April 1904.

Up to 1st January 1907 the portion received by the State on account of the working of the line amounted to 1,870*l.*

18. NETHERLANDS.

The following tables give data relative to the respective terminus stations of the various railroads, their length in miles, dates of the laws authorising the construction or the acquisition, expenditure by the State for the construction, alteration, and extension, purchase price, and date of transfer.

(a) Lines constructed by the State.

Railroad.	Length in Miles.	Constructed for Account of the State pursuant to the Law of	Amounts Paid by the State for Construction, Altera- tion, and Extension, to 1904 inclusive.
			£
Arnhem—Lecuwarden - - -	105.008	18th Aug. 1860 -	1,572,768
Harlingen—German frontier - - -	79.292	" -	1,024,793
Groningen—Meppel - - -	47.744	" -	341,321
Zutphen—German frontier - - -	37.083	" -	667,361
Maastricht—Breda - - -	111.809	" -	1,410,435
Rosendaal—Flushing - - -	47.439	" -	2,920,242
Venlo—German frontier - - -	1.864	" -	55,073
Utrecht—Boxtel - - -	37.370	" -	1,948,078
Rotterdam—Breda - - -	33.474	" -	2,688,131
Amsterdam—Nieuwediep - - -	53.322	" -	2,734,255
Arnhem—Nijmegen - - -	11.858	21st May 1873 -	850,126
Zwaluwe—Zevenbergen - - -	4.677	" -	35,281
Zwolle—Almelo - - -	27.776	10th Nov. 1875 -	416,967
Dordrecht—Kesteren - - -	45.602	" -	1,292,117
Amersfoort—Nijmegen - - -	35.672	" -	773,639
Zaandistrict—Enkhuizen - - -	31.159	" -	694,745
Stavoren—Leeuwarden - - -	31.348	" -	533,344
Nijmegen—Venlo - - -	36.927	" -	447,040
Shiedam—Hook of Holland - - -	14.910	" -	428,174
Zwaluwe—o—Hertogenbosch - - -	29.305	" -	698,771
Groningen—Delfzyl - - -	23.819	" -	361,868
	847.458		21,894,529

(b) *Lines purchased by the State.*

Railroad.	Length in Miles.	Purchased by virtue of the Law of	Purchase Price.	Date of Transfer.
Rosendaal-Breda and Zevenberg to Belgian frontier.	29.585	22nd April 1880	£ 494,388	1st July 1880.
Former Netherland Rhenish railway.	125.252	22nd July 1890 -	3,831,870	15th Oct. 1890.
Leyden-Woerden - - -	19.634	31st Dec. 1898 -	516,345	1st Jan. 1899.
Tilbury-Baerle-Nassau (Belgian frontier).	13.132	2nd April 1898 -	} 522,525	1st July 1898.
Budel (Belgian frontier) to Vloderp (German frontier).	29.975	" -		
Lanacken (Belgian frontier) to Simpelveld (German frontier).	19.874	" -		
Eindhoven-Belgian frontier -	10.776	" -	120,189	1st July 1898.
Maastricht-Belgian frontier, towards Liège.	6.818	" -	119,864	1st Jan. 1899.
	255.049		5,605,182	

The exploitation of the railways owned by the State is not done by the State, but is entrusted to two private companies, the Holland Iron Railway Company and the Company for Exploitation of State Railways.

The State annually receives a sum of 329,166*l.*, viz., 45,833*l.* from the Holland Iron Railway Company, and 283,333*l.* from the Company for the Exploitation of State Railways, as rent for the use of railways owned by the State. In addition to these sums one-half of the net profits remaining, after paying 4 per cent. on the paid-up capital of these Companies, is handed over to the State. On the last-mentioned account the State received from the Company for Exploitation of State Railways for the years 1904 and 1905 (*i.e.*, the last two for which figures are available), 7,518*l.* and 9,624*l.* respectively, while the Holland Iron Railway Company paid nothing on this account, as the profits made during the said two years were not large enough.

Amortisation of capital sunk by the State in the construction, &c., and purchase of railways does not take place out of railway receipts. The sums received annually from the two Companies working the State Railways are paid into the Treasury as ordinary revenue. On the other hand, the State debt incurred for the construction, alteration, and extension, and for the purchase of railroads is amortised regularly out of the ordinary State revenue.

19. NICARAGUA.

The railways of Nicaragua have all been built by, and are the property of, the Government. Their total length, including branch lines, is 171½ miles; the gauge is 3 feet 6 inches. No data as to the cost of construction are obtainable.

The railways are leased by the Government for 35 per cent. of their gross earnings; this amounted in 1904 to 18,000*l.*, and in 1905 to 12,380*l.* No details are obtainable as to the working expenses.

20. NORWAY.

There are three classes of railways:—(a) Purely State Railways; (b) “Statsbaneinterresentshaber,” i.e., railways that are worked by the State and owned by it together with communes and private individuals; (c) Private railways.

As every railway in the country, with one exception only, is owned or subsidised by the State, each of the above-mentioned classes are dealt with below:—

(a) *Purely State Railways*, built and worked by the State. There are now six lines, with a total length of 313 miles. The communes through which these railways run have although not receiving any shares, contributed sums of money and undertaken all expenses connected with the acquisition of the necessary land and with the maintenance of fencing, &c. An exception to this is the Ofoten Railway, where all expenses were borne by the State.

The total cost of building these railways was, up to 31st March 1906, 2,698,927*l.*, of which 2,344,503*l.* was paid by the State and the balance by the communes.

The following figures show the cost of building, the revenues, working expenses, net loss or profit for the last two years, and the interest received on capital outlay for each of the six State Railways separately. It should be mentioned that the Ofoten Railway, which is more remunerative than any other Norwegian railway, derives its incomes principally from a contract for the carriage of Swedish iron ore.

Name of Railway.	Cost of Building	1904-5.				1905-6.			
		Revenue.	Working Ex-penses.	Net Loss (—) or Profit (+)	Interest on Capital.	Revenue.	Working Ex-penses.	Net Loss (—) or Profit (+)	Interest on Capital.
	£	£	£	£	Per Cent.	£	£	£	Per Cent.
Kongsvinger-Flisen	168,561	5,111	8,082	— 2,971	—2·01	5,194	7,852	— 2,658	—1·55
Gjøvik	773,626	41,701	36,656	+ 5,045	+0·61	48,828	35,372	+13,456	+1·73
Hell-Sunnan	571,010	4,899	9,343	— 4,444	—1·45	8,569	14,373	— 5,804	—1·35
Egersund-Flekkefjord	373,362	1,519	2,808	— 1,289	—0·81	5,038	7,838	— 2,800	—0·74
Christiansund-Byglandsfjord.	270,667	11,576	11,449	+ 127	+0·05	12,069	11,303	+ 767	+0·28
Ofoten	541,701	49,747	22,516	+27,231	+4·9	60,298	23,517	+36,781	+6·61

The purely State Railways form, however, but a small part of the railway system of Norway; they are mostly subordinate lines.

(b) The “Statsbaneinterresentshaber” are by far more important. There are 13 of these lines, with a total length of 1,041 miles, and they include the main arteries of traffic, such as the Christiania-Kornsjé (Gothenburg), the Christiania-Charlottenberg (Stockholm), and the greater part of the Christiania-Trondhjem Railways.

All these railways showed profits for the year 1905-6, varying from 0·56 to 5·88 per cent. on the capital invested, the dividends paid on the ordinary shares, however, in no case exceeding 4 per cent. The capital invested in 1906 in the “Statsbaneinterresentshaber” is made up as follows:—

The State:—

	£
Original shares	5,484,918
Purchased shares	399,995
Loans	370,231
Shares held by communes and private individuals	780,670
Communal subscriptions not covered by shares	116,489
Loans from others than the State	15,421
Capital provided out of profits	845,761
Total	8,013,485

(c) *Private Railways*.—All of these are subsidised by the State, it having advanced at different times a total of 373,014*l.* towards the expenses of building and upkeep. The State likewise holds shares for 527,915*l.* in these railways.

The "Hovidbane" (Christiania–Eidsvola) is the only private railway of any importance. It has paid 4 per cent. on its ordinary shares for the last two years. None of the other private railways have ever paid any dividend, any profits that they may have had being placed to reserve.

21. PORTUGAL.

At the end of 1905 the Portuguese Government owned and worked 540 miles of railway, of which 334 miles form the South and South-Eastern system and 206 miles the Minho and Douro system. The South and South-Eastern Railways were taken over by the State in 1869 by annulling the contracts with the constructing companies when 105 miles were open to traffic. The Minho and Douro system was entirely constructed by the Government, the first section of 24 miles being opened in 1875.

The capital expenditure on the South and South-Eastern Railway up to the end of 1905 amounted to 13,359,979 *milreis* (at par equal to 3,006,000*l.*), or 8,886*l.* per mile, and on the Minho and Douro Railways to 21,126,584 *milreis* (equal to 4,753,000*l.*), or 22,786*l.* per mile. On this capitalisation the return in 1905 was 2·7 per cent. in the case of the South and South-Eastern Railway, and 3·5 per cent. in the case of the Minho and Douro Railway.

The traffic receipts and working expenses in the last three years were as follows :—

Year.	Length.	Number of Passengers.	Goods carried.	Traffic Receipts.	Working Expenses.	Rate of Working.
SOUTH AND SOUTH-EASTERN.						
	Miles.	No.	Tons.	£	£	Per cent.
1903 - - -	311	629,280	404,133	273,000	157,000	57
1904 - - -	316	698,467	393,006	263,000	175,000	66
1905 - - -	334	888,868	386,216	265,000	183,000	69
MINHO AND DOURO.						
1903 - - -	206	1,554,000	445,538	285,000	139,000	49
1904 - - -	206	1,687,631	463,122	291,000	153,000	53
1905 - - -	206	1,752,003	546,551	311,000	146,000	47

The receipts from sources other than traffic are insignificant, with the exception of those from the transit and stamp taxes imposed on all Portuguese railways, and are not taken into account in the present calculations. Gross traffic receipts and working expenses per mile in 1905 were on the South and South-Eastern 793*l.* and 548*l.* respectively, and on the Minho and Douro 1,510 and 748 respectively.

The net revenue received by the State after meeting the charges of the Government railway bonds and other charges is estimated at 166,000*l.* for the present year or rather more than 2·1 per cent. on the capital expenditure of 7,662,000*l.* of the two railways.

22. ROUMANIA.

The statistical report on the working of the Roumanian railways for 1904-05, published in 1906, classifies the Roumanian lines as follows :—

	Length in Miles.	Expenditure.
		£
I.—Lines constructed under contract for the State -	109	2,241,260
II.—Lines purchased by the State -	609	12,214,128
III.—Lines leased and worked by the State -	138	2,419,824
IV.—Lines constructed directly by the State -	1,119	10,818,640
V.—Repairs, stations, bridges, rolling-stock, &c. -	—	3,238,748
Total -	1,975	30,932,600

The nominal capital of the public debt, corresponding to the sums actually expended, is 35,464,228*l*.

The Railway Budget is separately voted, and the excess of income goes to the State exchequer. The following are the figures for recent years :—

Year.	Gross Earnings.	Working Expenses.	Surplus of Earnings over Expenditure.
	£	£	£
1901-02 -	2,219,640	1,338,920	880,720
1902-03 -	2,299,600	1,359,280	940,320
1903-04 -	2,596,200	1,527,760	1,068,440
1904-05 -	2,309,680	1,563,200	746,480

Year.	Reserve Funds.	Net Income paid to Treasury.	Estimate of Net Income to be paid to Treasury.	Difference between Actual and Estimated Net Income.
	£	£	£	£
1901-02 -	82,160	831,160	780,000	+ 51,160
1902-03 -	86,080	875,400	820,000	+ 55,400
1903-04 -	139,600	928,840	820,000	+ 108,840
1904-05 -	10,840	735,600	800,000	— 64,400

The receipts and expenditure include the figures for (1) railways, (2) docks or elevators at Galatz and Braida, (3) the maritime service.

The actual total amount of capital represented by the railways, taken at 30,932,600*l*. (35,464,228*l*. nominal capital), is paid off in the same proportion and at the same time as the national debt, which amounted, on April 1, 1906, to 57,742,820*l*. The amount paid off on this in 1904-05 was 912,272*l*., and in 1905-06 654,268*l*.

23. RUSSIA.
TABLE A.—FINANCIAL RESULTS OF THE EXPLOITATION OF THE RUSSIAN STATE RAILWAYS IN 1902.

Name of Lines. (State Lines only)	Length in Miles.	Gross Receipts.		Working Expenses.		Profits.		Annual Interest, Payments, and Amortisation of Building Capital.	Net Profit (+) or Loss (-). Total.
		Total.	Total per Mile.	Total.	Amount per Mile.	Total.	Amount per Mile.		
1. Baltic and Pskoff-Riga - - - -	615	1,015,487	1,651	933,608	1,518	81,879	133	314,400	232,521
2. Baskunchakskaja - - - - -	45	48,133	1,070	22,778	506	25,355	564	19,060	6,295
3. Ekaterininskaja - - - - -	1,414	3,525,399	2,493	2,290,467	1,620	1,234,932	873	739,024	495,908
4. Trans Caucasian - - - - -	1,010	3,063,766	3,033	1,646,592	1,630	1,417,174	1,403	864,272	552,902
5. Kursk-Kharkoff-Sevastopol -	1,112	2,692,476	2,340	1,870,485	1,682	731,991	658	893,117	161,126
6. Libau-Romni - - - - -	827	1,820,237	2,201	1,250,594	1,512	569,643	689	469,125	100,518
7. Moscow-Brest - - - - -	683	1,660,169	2,431	1,306,252	1,913	353,917	518	529,852	175,935
8. Moscow-Kursk and Moscow-Nijni Novgorod -	724	2,908,025	4,017	1,706,011	2,356	1,202,014	1,631	1,051,484	150,530
*9. Moscow-Yaroslav-Archangel - -	1,190	1,547,073	1,300	949,561	798	597,512	502	706,247	108,735
10. St. Petersburg-Moscow - - -	605	3,771,314	6,234	2,158,188	3,567	1,613,126	2,667	1,329,778	283,348
11. Perm - - - - -	1,375	1,141,863	830	925,234	673	216,629	157	641,544	424,915
12. Poljesski - - - - -	949	1,269,297	1,338	909,648	938	359,649	380	295,447	64,202
13. Vistula - - - - -	1,125	2,250,956	2,001	1,603,897	1,426	647,059	575	664,617	17,558
14. Riga-Orel - - - - -	967	1,755,131	1,815	1,261,734	1,305	493,397	510	749,382	255,985
15. Samara-Glatoust - - - - -	1,020	1,822,710	1,787	1,389,936	1,363	432,774	424	524,512	91,738
16. St. Petersburg-Warsaw - - -	956	2,307,431	2,414	1,740,476	1,821	566,955	593	1,087,634	520,679
17. Sizrán-Viazma - - - - -	868	1,037,564	1,195	1,314,923	1,515	277,359§	320§	491,428	763,797
18. Kharkoff-Nikolaieff - - -	896	1,923,404	2,147	1,309,157	1,451	614,247	686	497,123	117,124
19. South-Western - - - - -	2,732	6,378,732	2,355	3,429,971	1,255	2,948,761	1,080	1,745,316	1,203,445
Total (European-Russian) - - -	19,113	41,849,167	2,190	28,019,512	1,466	13,829,655	724	14,581,714	762,059¶
Total in 1901 (European-Russian) -	18,413	40,556,675	2,202	26,843,745	1,458	13,712,930	744	13,909,819	196,889¶
Finnish Railways - - - - -	1,809	1,066,034	589	913,614	505	152,420	84	---	---
Trans-Baikal Railway - - - -	952	628,314	660	1,139,190	1,197	510,876§	537§	578,822	1,089,698
Siberian Railway - - - - -	2,080	2,322,234	1,116	2,560,891	1,231	238,657§	115§	763,268	1,001,925
Central Asian Railway - - - -	1,566	1,525,978	974	1,228,109	784	297,869	190	498,521	200,652
†Ussuri Railway - - - - -	549	267,418	487	460,201	838	192,783§	351§	251,667	444,450
††Total Asiatic Russia (not including Finland)	5,147	4,743,944	922	5,388,391	1,047	644,447§	125§	2,092,278	2,736,275
Total Asiatic Russia in 1901 - -	5,138	4,237,289	834	4,793,586	933	506,297§	99§	1,893,230	2,399,527

* The new St. Petersburg-Vologda line, completed 1905, now administratively attached to the Moscow-Yaroslav-Archangel line, both now officially called "The Northern Railways."

† In 1906 transferred to the Chinese Eastern Railway Company (Manchurian line).

‡ Not including the Chinese Eastern Railway Company (Manchurian line). The Orenburg-Tashkent line (State line) has since (in 1906) been completed.

§ Loss in this case.

|| Includes payment on account of rolling stock which cannot be apportioned among individual State railways amounting to 969,512L. in 1902 and to 572,604L. in 1901.

¶ Less after deducting the amounts specified in note (D).

TABLE B.

FINANCIAL SITUATION of the RUSSIAN STATE RAILWAYS at the end of 1902.

Names of Lines (State Lines only).	Length.	Stock or Foundation Capital. Bonds (Obligations) consolidées par l'Etat.	Other Sums employed in the Construction of the Railways.	Total Nominal Value of Capital.	Total Nominal Value of Capital per Mile.	Interest and Amortisation.
	Miles.	£	£	£	£	£
1. Baltic and Pskoff-Riga - -	626	5,860,284	3,537,652	9,397,936	15,013	227,850
2. Baskunchakskaja - -	45	390,086	67,560	457,616	10,170	16,020
3. Ekaterininskaia - - -	1,414	13,276,397	4,143,428	17,419,825	12,320	552,806
4. Trans-Caucasian - - -	1,012	14,508,779	7,360,088	21,868,867	21,609	533,739
5. Kursk-Kharkoff-Sevastopol -	1,113	18,553,140	2,555,494	21,108,634	18,966	779,338
6. Libau-Romni - - -	840	10,258,137	1,210,203	11,468,340	13,653	415,693
7. Moscow-Brest - - -	681	12,233,928	1,488,117	13,722,045	20,150	500,318
8. Moscow-Kursk and Moscow-Nijni Novgorod.	728	23,111,032	2,345,309	25,456,341	34,968	946,560
9. Moscow-Yaroslavl-Archangel -	1,212	12,539,088	2,094,113	14,633,201	12,074	612,164
10. St. Petersburg-Moscow - -	621	27,506,511	4,102,877	31,609,388	50,901	1,156,564
11. Perm Railway - - -	1,375	10,467,976	4,775,238	15,243,214	11,086	426,672
12. Poliesski Railways - - -	951	6,124,188	1,169,767	7,293,955	7,670	244,968
13. Vistula Railways - - -	1,142	12,195,443	2,986,416	15,181,859	13,294	538,572
14. Riga-Orel - - -	969	15,462,564	4,205,482	19,668,046	20,298	637,841
15. Samara-Zlatoust - - -	1,048	8,558,064	3,845,463	12,403,527	11,835	352,125
16. St. Petersburg-Warsaw - -	1,002	24,234,609	2,137,043	26,371,652	26,319	996,713
17. Sizran-Viazma - - -	869	10,763,976	1,560,446	12,324,422	14,182	421,375
18. Kharkoff-Nikolaieff - - -	911	7,188,727	4,369,793	11,558,520	12,688	300,897
19. S. Western - - -	2,734	39,648,507	4,805,192	44,453,699	16,260	1,628,948
(European Russian), Total -	19,293	272,881,436	58,759,681	331,641,117	17,190	11,289,163
(European Russian), Total, end of 1901 - - -	18,551	273,412,477	45,725,226	323,727,399	17,451	11,273,194
Asiatic Russian :—						
Trans-Baikal - - -	955	—	12,867,665	12,867,665	13,473	—
Siberian - - -	2,089	—	17,039,797	17,039,797	8,157	—
Central Asian - - -	1,575	6,372,828	6,341,925	12,714,753	8,973	224,550
Ussuri - - -	544	—	5,592,604	5,592,604	10,281	—
(Asiatic Russian), Total -	5,163	6,372,828	41,841,991	48,214,819	9,338	224,550

See notes to Table A.

TABLE C.
FINANCIAL SITUATION OF RUSSIAN RAILWAYS at the end of 1902.
(Here Totals only for State Lines, Details for the same being in Table B.)

Name of Lines.	Length Exploited in Miles.	Foundation Capital.					Other Sums employed in the Construction of the Railways.	Total Nominal Value of the Capital.	Total per Mile.	Interest and Amortisation.	Amount of Debt towards the State at the end of 1902.	
		Shares.		Obligations or Bonds.								
		Guaranteed by the State.	Not Guaranteed.	Guaranteed by the State.	Not Guaranteed.	Consolidated by the State.						
Private lines :—		£	£	£	£	£	£	£	£	£	£	
Bielgorod-Suma -	93	—	147,778	—	336,103	—	483,881	—	483,881	5,203	15,477	—
Warsaw-Vienna -	466	—	1,759,259	416,121	5,165,549	233,644	7,574,573	186,088	7,760,661	16,654	291,090	—
Vladikavkaz -	1,555	—	608,201	10,271,987	—	4,167,289	15,047,477	1,514,225	16,561,702	10,651	647,614	4,362,161
Lodz -	49	134,478	—	573,759	—	—	708,237	28,819	737,056	15,042	35,530	—
Moscow-Windau-Rybinsk -	1,273	—	959,247	8,986,941	190,000	315,273	10,451,461	1,561,623	12,013,084	9,437	425,902	—
Moscow-Kazan -	1,347	703,704	—	10,171,516	—	—	10,875,220	581,056	11,456,276	8,505	500,928	—
Moscow-Kieff-Voronezh -	1,553	998,292	—	9,936,892	—	182,755	11,117,939	1,289,201	12,407,140	7,989	505,295	—
Riazan-Uralsk -	2,387	520,775	—	18,612,729	—	4,329,668	23,963,172	1,590,318	25,553,490	10,705	1,101,422	1,711,800
South Eastern -	2,144	—	2,317,023	12,427,973	—	9,258,043	24,003,039	575,859	24,578,898	11,464	983,011	356,458
Total	10,867	2,357,249	5,791,508	71,397,918	5,691,652	18,986,672	104,224,999	7,327,189	111,552,188	10,265	4,506,269	6,430,419
Totals for 11 local subsidiary and narrow-gauge lines (private).	1,155	—	842,779	—	2,282,688	—	3,125,467	154,788	3,280,255	2,840	116,563	—
State lines (European-Russia)* -	19,293	—	—	—	—	181,920,958	181,920,958	39,173,121	221,094,979	11,460	7,526,109	—
State lines (Asiatic Russia)* -	5,163	—	—	—	—	4,248,552	4,248,552	27,894,661	32,143,213	6,226	149,700	—
Total, all lines, in 1902	36,478	2,357,249	6,634,287	71,397,918	7,974,340	205,156,182	293,519,976	74,549,759	368,069,735	10,090	12,298,641	6,430,419
Total, all lines, in 1901	35,646	2,357,249	6,577,990	71,397,914	7,824,311	205,511,627	293,669,091	57,217,955	350,887,046	9,814	12,280,527	5,698,751

* For details see the State lines, see Table B.

TABLE D.

GROSS RECEIPTS of RUSSIAN STATE and PRIVATE RAILWAYS in 1904 and 1905.

	1904.	1905.
European Russia (State lines) :—	£	£
Baltic and Pskoff-Riga - - - -	1,066,696	952,590
Baskuntchakskaja - - - -	60,835	58,330
Ekaterininskaja - - - -	4,250,627	3,938,199
Trans-Caucasian - - - -	3,359,352	2,001,611
Kursk-Kharkoff Sevastopol - - -	2,820,579	2,682,415
Libau-Romni - - - -	1,788,140	1,675,825
Moscow-Brest - - - -	1,497,238	1,410,516
{ Moscow-Kursk - - - -	1,515,359	1,357,497
{ Moscow-Nijni Murom - - - -	1,336,785	1,284,071
Moscow-Yaroslav-Archangel - - -	1,639,106	1,655,486
St. Petersburg-Moscow - - - -	3,773,709	3,466,967
Pern - - - -	1,336,549	1,437,152
Poliesski - - - -	1,338,825	1,220,017
Vistula - - - -	2,417,104	2,015,025
Riga-Orel - - - -	1,933,696	1,942,985
Samara-Zlatoust - - - -	1,824,884	1,627,155
St. Petersburg-Warsaw - - - -	2,187,472	2,006,230
Sizran-Viazma - - - -	992,975	1,053,003
Kharkoff-Nikolaieff - - - -	1,986,606	1,939,394
South Western - - - -	5,853,170	5,333,542
Total - - - -	42,979,707	39,058,040
Private lines :—		
9 different main lines - - - -	21,412,365	20,048,582
* 11 local subsidiary - - - -	490,190	511,155
† Total European Russia - - - -	64,882,262	59,617,777
Asiatic Russia (State lines) :—		
Trans-Baikal - - - -	464,565	726,486
Siberian - - - -	1,894,632	1,820,933
Central Asian - - - -	1,675,052	1,360,207
‡ Tashkent - - - -	—	296,471
§ Ussuri - - - -	204,497	197,010
Total Asiatic Russian - - - -	4,238,746	4,401,107
Total European and Asiatic Russian lines (excluding Finnish) - - - - }	69,121,008	64,018,884

NOTE.—This table has been extracted from the official "Viestnik Finansoff" of St. Petersburg of April 30, 1906.

* All narrow-gauge lines.

† Excluding Finland.

‡ Only opened for traffic in 1905 and that partially only.

§ Ussuri line since (in 1906) transferred to Chinese Eastern Railway Company (Manchurian line).

TABLE E.

Date of TRANSFERENCE of former PRIVATE RUSSIAN RAILWAYS
to the GOVERNMENT.

Name of Line (former Name or Present).	Date of Transference.
Kharkoff-Nikolaieff - - - - -	1st Oct. 1881.
Tamboff-Saratoff - - - - -	5th Jan. 1883.
Uralsk - - - - -	1st June 1887.
Raizhsk-Morshansk - - - - -	1st Jan. 1888.
Trans-Caucasian - - - - -	1st Aug. 1889.
Morshansk-Sizran - - - - -	1st Oct. 1889.
Riazhsk-Viazma - - - - -	1st Oct. 1889.
Tamboff-Kosloff - - - - -	1st Aug. 1890.
Kursk-Kharkoff-Azoff - - - - -	1st Feb. 1891.
Liban-Romni - - - - -	1st May 1891.
Orel-Griazskaia - - - - -	1st Jan. 1892.
Warsaw-Terepolskaia - - - - -	1st June 1892.
Moscow-Kursk - - - - -	1st Jan. 1893.
Orenburg - - - - -	1st Jan. 1893.
Baltic - - - - -	1st April 1893.
Donetz - - - - -	1st July 1893.
St. Petersburg-Warsaw - - - - -	1st Jan. 1894.
Nikolaieff (St. Petersburg-Moscow) - - - - -	1st Jan. 1894.
Moscow-Nijni Novgorod - - - - -	1st Jan. 1894.
Mitau - - - - -	1st Jan. 1894.
Riga-Dvinsk and Riga-Bolderaask - - - - -	1st Jan. 1894.
Orel-Vitebsk - - - - -	1st Feb. 1894.
Dvinsk-Vitebsk - - - - -	15th June 1894.
Novotorzhsk - - - - -	1st July 1894.
Lozovo-Sevastopol - - - - -	1st Nov. 1894.
South Western - - - - -	1st Jan. 1895.
Borovitchi - - - - -	15th Aug. 1895.
Riga-Tukhum - - - - -	10th May 1896.
Moscow-Brest - - - - -	1st July 1896.
Fastovskaia - - - - -	1st Jan. 1897.
Vistula - - - - -	1st July 1897.
Oboyanskaia - - - - -	1st July 1897.
Ivangorod-Dombrovskaia - - - - -	10th Jan. 1900.
Moscow-Yaroslav-Archangel - - - - -	1st Jan. 1902.

Dates according to Russian style.

Many of the above lines have been merged into larger main State lines.

The above table has been extracted from the "Railway Annuaire for 1905," published by the Ministry of Ways, the latest issued, a volume of railway data and statistics.

TABLE F.

The official "Railway Annual for 1905," published by the Ministry of Ways, the latest issued, gives a table headed "Total Sum of Capital expended on the Construction of State Railways of Public Importance." The names of the lines, and the figures given, correspond exactly with the lines and figures in Table B above (quoted from another source) under the columns there headed "Total Nominal Value of Capital" and "Total Nominal Value of Capital per Verst." The official "Railway Annual" above named, however, adds to the totals the following:—

	£
Rolling-stock, not distributed separately among the railways - - - - -	21,518,730
It thus makes a complete total of—	
“Total cost of the State Railways (European-Russian and Asiatic-Russian) - - - - -	401,377,938 ”

Then, in the same way for private railways, it gives the 20 private lines mentioned in Table C above, and the figures corresponding, making the following totals:—

	£
“Total cost of the private railways - - - - -	172,248,319
Total cost of all Russian railways - - - - -	573,626,257 ”

TABLE G.

PRIVATE MAIN LINES mentioned in Table C.—EXISTING PRIVATE MAIN LINES
(on January 1, 1907).

	Term of Concession (free Transference of Railway to the State).	Term for Purchase by the State.
Bielgorod-Suma - - - - -	2nd Aug. 1986	16th June 1923
Warsaw-Vienna - - - - -	14th Aug. 1932	14th Aug. 1879
Vladikavkaz - - - - -	2nd June 1956	31st Dec. 1910
Lodz - - - - -	20th May 1941	1st June 1886
Moscow-Windau-Rybinsk - - - - -	4th June 1955	1st Jan. 1915
Moscow-Kazan - - - - -	31st Dec. 1945	1st Jan. 1905
Moscow-Kieff-Voronesh - - - - -	24th Dec. 1955	At any date.
Riazan-Uralek - - - - -	5th Sept. 1947	5th Sept. 1917
South Western - - - - -	20th June 1953	1st Jan. 1906

The above is extracted from the official "Railway Annual for 1905," the latest published, issued by the Ministry of Ways.

TABLE H.

LATEST DATA as to LENGTH of RUSSIAN RAILWAYS (State and Private).

At end of 1904, in regular traffic order:—

	Miles.
*19 State lines in European Russia - - -	19,645
*4 State lines in Asiatic Russia - - -	5,216
Total, State lines - - -	24,861
23 private lines in European Russia - - -	12,504
Total - - - - -	37,365
State lines in Finland - - -	1,885
Private lines in Finland - - -	168
Total in Russian Empire. (On January 1, 1905) - - -	39,418
Not including Chinese Eastern Railway (Man- churian line) - - - - -	1,555
During 1905 the increase amounted to - - -	723

The new important lines, opened for traffic in 1905 and 1906, or about to be opened, are the following:—

State lines:—

	Miles.
St. Petersburg-Vologda-Viatka - - -	762
Orenburg-Tashkent - - - - -	1,146
Bologoe-Siedlets - - - - -	718
Circum-Baikal - - - - -	126

The Ussuri line (Vladivostok-Babarovsk) passed in 1906 into the hands of the Chinese Eastern Railway Company (Manchurian line).

The St. Petersburg-Vologda line, just opened, has been attached to the Moscow-Yaroslav-Archangel Railway, both to be known officially as the "Northern Railways."

* For names of individual lines, see Table A, page 58.

24. SERVIA.

In accordance with the provisions of the Berlin Treaty of 1878, by which Austria-Hungary and the Balkan States engaged to construct a line of railway to connect Vienna and Budapest with Constantinople and Salonica, and in fulfilment of the Vienna Convention of the 28th March (9th April) 1880, Servia in the following year took steps to carry out her part of the scheme.

For this purpose the Government entered in 1881 into a contract with a French banking firm—the Union Générale—for “the construction and working of the Servian Railways” for the account of the Servian Government. The Union Générale engaged either itself to construct the lines, or to cause them to be constructed by a company to be formed for the purpose, at the fixed price of 198,000 francs per kilometre (12,746*l.* per mile) exclusive of the supply of rolling-stock and the equipment and accessories for the lines and stations. The cost of the purchase or expropriation of the necessary lands was to be borne by the Government. The contract applied in the first place only to the line Belgrade–Nish–Vrānjá; for the branch Nish–Pirot it was agreed that the Union Générale was to have the right of priority at equal prices over any other firm desirous of undertaking the work.

The Union Générale commenced the construction, but shortly afterwards, in August 1881, transferred it to a private firm, reserving to itself only such special works as the station at Belgrade and the workshop at Nish.

In order to meet the expenditure necessary for the construction of these railways and for other purposes the Servian Government issued a loan, through the intermediary of the Union Générale, for the nominal amount of 100 million francs (4,000,000*l.*), at 5 per cent. interest and issued at 71·4. The Union Générale became bankrupt in January 1882, the Servian Government being at that time its creditor for 960,000*l.*, though finally the actual loss to the Government was only 480,000*l.*

The “Comptoir d’Escompte” of Paris and the Vienna “Länderbank” then formed a company to succeed the Union Générale in “the construction and working of the Servian State Railways”; the new company took over all the rights and obligations of the Union Générale, but the fixed price to be paid by the Government was reduced from 198,000 to 168,000 francs per kilometre (from 12,746*l.* to 10,814*l.* per mile). A year later the same company undertook also the construction of the Nish–Pirot line at a fixed price of 223,000 francs per kilometre (14,355*l.* per mile). The execution of the work was entrusted to the same firm as before, and a loan of 21 million francs (840,000*l.*) was negotiated with the Comptoir d’Escompte (at the issue price of 71·4) to meet the expenditure.

The contract for the working of the State Railway concluded between the Servian Government and the “Compagnie de Construction et d’Exploitation” provided that the railways were the property of the State, and that the receipts from their working should be handed over to the Government, who would fix the tariffs. The Company on the other hand bound themselves to provide the rolling-stock and all equipment and accessories for the line and stations. The contract was made for a term of 25 years, but the Government reserved to themselves the right of taking over the working of the line into their own hands after 15 years, paying an indemnity to the Company the amount of which was to be fixed by common accord. As remuneration for the working of the line, the Company were to receive from the Servian Government a sum of 7,800 francs per annum and kilometre (502*l.* per mile), payable in twelfth parts. For this payment the Company engaged to run one passenger train and one mixed train daily in each direction. For every further train, whether passenger, mixed, or goods, the Company received an additional sum calculated at an average of 3 francs per kilometre covered (3*s.* 10*d.* per mile), and besides this certain dues for second engines, specially heavy trains, &c. In addition to the kilometric payment and the dues above mentioned, the Company were entitled to 2 per cent.

of the total gross receipts and to a payment amounting to 7 per cent. per annum on the total value of the rolling-stock, equipment, and accessories of the line and stations (exclusive of articles of consumption), of which 5 per cent. was considered as interest on the capital invested and 2 per cent. as amortisation. When the contract lapsed the Government were to take over the rolling-stock, accessories, &c., at a valuation.

Less than a year after the completion of the railways, however, the Government revoked the contract on the ground that the Company had failed to carry out their engagements under it, and by a Royal Ukase *ad hoc*, dated the 21st of May 1889, took over the working of the State Railways on their own account. It was only after long negotiations and discussions that the Government consented to purchase the rolling-stock and accessories from the Company at a price of 9,100,000 francs (364,000*l.*). No indemnity whatever was paid to the Company for the cancelling of their contract and for the losses they had suffered thereby.

The total length of line of normal gauge open to traffic at the present time (and which has not been increased since 1899) is 336 miles, made up of the following sections:—

	Miles.
Main line Belgrade to Nish (including connection with the Hungarian line on the Save Bridge) -	153
Nish to Pirot and the Bulgarian frontier -	58
Nish to Ristovatz and the Turkish frontier -	76
Velika Plana and Semendria branch -	26
Siding to Belgrade Slaughter-house -	5
Lapovo-Kragujevatz branch -	18
	<hr/> 336

The total capital invested by Servia in the State Railways up to the end of 1905 is stated in the Annual Report for that year as follows:—

(a) *Construction:*

	£
1. Belgrade-Nish-Turkish Frontier -	3,001,704
2. Nish-Pirot-Bulgarian Frontier -	847,837
3. Belgrade Station to middle of Save Bridge -	97,377
4. Velika Plana-Semendria -	57,104
5. Lapovo-Kragujevatz -	82,221
6. Belgrade Station to Slaughter-house -	40,976
7. Extensions and supplementary buildings -	152,125
	<hr/> 4,279,944

(b) *For Rolling-stock and Accessories:*

1. Purchase of the Company's rolling-stock and inventory on the 21st of May 1889 -	364,000
2. Additional rolling-stock purchased up to the end of 1905 -	289,685
3. Additional equipment and accessories purchased up to the end of 1905 -	107,959
	<hr/> 761,644

Total capital expenditure - - 5,041,588

The following table shows the receipts and expenditure for the last three years for which the figures are available:—

Year.	Gross Receipts.	Working Expenses.	Net Receipts.
	£	£	£
1903 -	300,493	149,967	151,526
1904 -	338,661	153,398	185,263
1905 -	332,515	174,162	158,353

To meet the capital expenditure involved in the construction and subsequent purchase of the rolling-stock and accessories of the railways, the Servian Government contracted between 1881 and 1890 loans amounting to 6,806,000*l.* (mainly at 5 per cent., but in the case of the lottery bonds of 1881 (440,000*l.*) at 3 per cent.). In 1895 these loans were converted from 5 per cent. to 4 per cent., and in the case of lottery bonds to 2 per cent., and at the time of conversion the debt had been reduced to 6,279,544*l.* By the end of 1906 this amount had been reduced to 5,976,988*l.* A small loan of 40,000*l.* at 6 per cent. (issued at 90) was authorised in 1898 for an extension; it is to be finally redeemed by the end of 1907. Assuming the above redemption to have been spread evenly over the 10 years from the end of 1895 to the end of 1905, the interest on the railway debt and its relation to the net returns from the State Railways were approximately as follows in 1903, 1904 and 1905:—

Year.	Interest on Railway Debt.	Net Receipts.	Deficit.
	£	£	£
1903 -	243,800	151,500	92,300
1904 -	242,500	185,300	57,200
1905 -	241,140	158,400	92,700

A very considerable increase of the narrow-gauge railway system, amounting to about 300 miles in length and estimated to cost about two millions sterling, is projected and partly under construction. The lines are to be opened for traffic by the end of 1909.

25. SIAM.

With the exception of the following railways, which are controlled and built by private companies, viz.,—

	Miles.
Paknam Railway - - - -	12 $\frac{1}{2}$,
Prabad Railway - - - -	11 $\frac{3}{4}$,
Tachin Railway - - - -	20 $\frac{1}{2}$,
Meklong Railway - - - -	21 (under construction),

all railways in Siam are built and managed by the Government, namely, 357 miles open to traffic and 202 miles under construction.

The Government railways are the Northern and the Southern lines.

The Northern line.—Gauge, 1·435 metres. Length of line open on the 31st March 1906, 263 miles. Total cost, ticals 27,055,387, or about 1,803,693*l.* Average cost per kilometre, ticals 63,841 (or about 6,849*l.* per mile), including cost of acquisition of land at an average value of ticals 838 per kilometre (or 93*l.* per mile).

The Southern line.—Gauge, 1 metre. Length of line open on the 31st March 1906, 94 miles. Total cost, ticals 8,148,855 (543,257*l.*). Average cost per kilometre, ticals 53,946 (or 5,787*l.* per mile), including cost of acquisition of land at an average value of ticals 2,098 per kilometre (225*l.* per mile).

The following table shows the financial results for the years 1904–05 and 1905–06:—

Item.	1904–05.	1905–06.
Gross earnings - - - -	154,150 <i>l.</i>	185,383 <i>l.</i>
Working expenses, as a percentage of gross earnings -	41·67 per cent.	36·93 per cent.
Net profit, as a percentage on capital outlay (after deduction of 10 per cent. of net earnings for renovation and extension fund).	4·45 per cent.	5·13 per cent.
Average capital outlay per mile open - - -	6,406 <i>l.</i>	6,522 <i>l.</i>

Up to and until the year 1904, when the first loan of 1,000,000*l.* was raised in Siam for productive public works, the Government railways were built out of ordinary revenues. The total amount spent by the Siamese Government on railways out of revenue between the years 1891 and 1903 was *ticals* 34,106,765 (about 2,273,784*l.*). From the year 1904 onwards the expenditure on railway construction has been met from loan.

26. SPAIN.

There are no State Railways in Spain, but the State is at present assisting in the construction of a line between Betanzos and Ferrol, levelling the ground and making the bridges, whilst the concessionaires will lay the rails, build the stations, and finally work the lines, the amount to be thus expended, *i.e.*, 7,193,919 pesetas (266,441*l.*), counting as a subvention to the Company. There are also other companies in receipt of subvention, amounting in all to 8,000,000 pesetas (296,296*l.*), in amounts varying from 25 to 50 per cent. of the cost of building the line. A recent Act likewise guarantees 4 per cent. interest on lines with a capital of not less than 50,000 pesetas per kilometre (2,980*l.* per mile) of line, but this Law has not yet come into force.

In return for these subventions, the State collects taxes on transport and imposes stamp and seal duties, the total sum collected under these headings amounting to about the equivalent of $3\frac{1}{2}$ per cent. on the subventions granted. The State, moreover, obtains the gratuitous transport of the post and prisoners, soldiers and sailors only paying a quarter or half fare (according to whether they travel in numbers or singly), and the companies placing two telegraph wires at the service of the Government.

Finally, the State, under the Law of 23rd November 1877, becomes sole proprietor of all railways after the lapse of 99 years from the date of the granting of the original concession.

27. SWEDEN.

In the year 1905 there were in Sweden 3,344 miles of private railway lines of the standard gauge and 1,715 of narrow-gauge lines, while of State-owned lines there were 2,609 miles of line. Of these last upwards of 557 miles have been acquired on account of the State from private companies.

Table A exhibits the total length, the total capital expenditure, the gross receipts, the working expenses, and the net revenue of the Swedish State Railways in the years 1904 and 1905.

Table B exhibits the various private lines acquired at different periods by the State, together with their length, the date at which they were acquired, and the price paid for them.

A supplementary Table C shows the gross receipts, working expenses, and net revenue for one year, calculated from the average of a period of five years' working (1901-1905) on the seven lines referred to in Table B, as having been acquired from private companies by the State.

The railway loan of 1880 of 6,655,000*l.* was, by the end of 1904, reduced by amortisation to 4,985,200*l.*, and the railway loan of 1886 of 4,000,000*l.* to 3,248,246*l.*

TABLE A.
Swedish State Railways.

Item.				1904.	1905.
Total length in miles	-	-	-	2,614	2,609
Capital expenditure	-	-	-	25,426,426 <i>l.</i>	26,299,789 <i>l.</i>
Gross receipts	-	-	-	2,908,641 <i>l.</i>	3,007,522 <i>l.</i>
Working expenses	-	-	-	2,084,908 <i>l.</i>	2,160,418 <i>l.</i>
Net revenue	-	-	-	818,733 <i>l.</i>	874,104 <i>l.</i>

TABLE B.
Private Lines acquired by the State.

Name of Railway.	Length in Miles.	Remarks.	Purchase Price, &c.
Örebrö-Frövi	17	Purchased by State, January 1906 -	£ 181,011
Hallsberg-Mjöllby	60	" " November 1879	222,222
West Coast Railway	234	" " January 1896 -	1,307,050
Sandsvall-Torpshammar	35	Purchased by State and reconstructed in 1885-86	Purchase - 202,777 Reconstruction 102,718
Kilaförs - Söderhamn - Stugsund.	22	Small portion already completed purchased by State, and then reconstructed and completed (1883-86)	Purchase - 38,431 Reconstruction and completion - 196,888
Ljusdal-Hudiksvall	39	Small portion already completed purchased by State, and then reconstructed and completed (1886-88)	Purchase - 29,805 Reconstruction and completion - 252,648
Lullå-Göllivara-Malmberget.	137	Purchased by State before completion, 1891, and then completed	Purchase - 362,275 Completion - 165,064
Bånghammer-Kloten	14	Taken over when the State purchased the Kloten estate in 1900.	—
Örebrö-Svarta Strömstad-Skee "	30	Worked by State Railway management and material, and then taken over on 1st January 1907.	—

TABLE C.
Summary of Average Annual Receipts and Working Expenses of Acquired Lines, 1901-05.

Name of Railway.	Gross Receipts.	Working Expenses.	Net Revenue.
Örebrö-Frövi	£ 14,937	£ 13,566	£ 1,381
Hallsberg-Mjöllby	45,600	44,133	1,467
West Coast	255,691	211,191	44,500
Sundsvall-Torpshammar	18,350	17,050	1,300
Kilaförs-Söderhamn-Stugsund	20,067	17,122	2,945
Ljusdal-Hudiksvall	24,435	18,225	6,210
Lullå-Malmberget	207,078	143,508	63,570

28. SWITZERLAND.

In Switzerland the railways were originally constructed by private companies. In 1898 the Swiss people in a Referendum sanctioned, by a majority of 386,624 against 182,718, the purchase of the railways by the State, a measure which had previously been decided upon by the Government and the Federal Chambers. As a result of this vote four of the large Swiss railways, viz., the Central Swiss, the North-Eastern, the Union Suisse, and the Jura Simplon, have passed into the hands of the Confederation, and the fifth great railway, the St. Gothard, will follow not later than 1st April 1909.

The entire system of State Railways has been divided into four sections: (1) Lausanne, (2) Bâle, (3) Zurich, and (4) St. Gall. The railways thus acquired by the State are styled Federal Railways (*Chemins de Fer Fédéraux*), and their headquarters are at Berne. They constitute an autonomous administration whose Budget is separate from that of the Confederation.

The following are the dates and terms of purchase:—

System.	Date of Purchase.	Terms of Purchase.
		£
Central Swiss - - - -	5 November 1900	3,000,000
North-Eastern - - - -	1 June 1901	3,280,000
Union Suisse - - - -	22 November 1901	1,608,000
Jura-Simplon - - - -	23 November 1903	4,164,032
		To the holders of and in exchange for Coupon No. 14 of each of the 104 preference shares and of each of the 245,600 ordinary shares, 14s. 7d. for each coupon No. 14 of the preference and 5s. 10d. for each coupon No. 14 of the ordinary shares.

The financial results of the purchase of the railways are described as satisfactory. Till the present time the revenue has been sufficient (i) to cover working expenses, (ii) to pay interest on the purchase money, and (iii) to pay for sinking fund on the debt incurred in the purchase of the railways. The whole sum is to be repaid in 60 years. The amount paid to sinking fund was in 1905, 208,437*l.*; in 1904 it was 185,835. These sums have been set apart as a sinking fund for the railways taken collectively.

Apart from the financial question the purchase of the railways is regarded as an unqualified success. Both passenger and goods rates have been reduced and the railway service has improved, besides which the sinking fund contributions have until now been paid without recourse to the finances of the State.

The appended table shows the revenue and expenditure for the two years 1904 and 1905:—

	1904.		1905.	
	£	£	£	£
Receipts :				
Passenger Traffic - - - -	1,817,112		1,926,191	
Goods Traffic - - - -	2,549,501		2,672,335	
Various Receipts - - - -	218,653		228,526	
Total - - - -	—	4,585,266	—	4,827,092
Expenditure :				
General Administration - - - -	102,785		109,596	
Maintenance of Permanent Way - - - -	571,824		602,692	
Working Expenses - - - -	988,762		1,010,508	
Traction and Rolling Stock - - - -	1,191,786		1,226,461	
Miscellaneous - - - -	248,323		257,019	
Total - - - -	—	3,103,480	—	3,206,276
Surplus of Receipts over Expenditure -	£1,481,786		£1,620,816	

29. TURKEY.

The only railway in the Ottoman Dominions which has been built by or belongs to the State is the Hejaz Railway. This line, which is intended to link the Holy Cities with the Syrian railway system, has now reached Tebouk, 700 kilometres (435 miles) from Damascus, and the whole length open, including the Derea-Haiffa branch, is 860 kilometres (534 miles). 15x54

The railway has been built by the Ottoman Government without recourse to the usual methods of obtaining capital. The amount spent on the railway up to the present time is estimated at about 55 million francs (2,200,000*l.*), probably the major portion of which sum has been raised by a method which, though euphemistically termed subscription, is more in the nature of a very slight taxation covering a very large number of articles as well as a "Hejaz Railway Stamp," whose use is made obligatory for an immense variety of transactions.

There seems no doubt that the railway will before very long be successfully completed, and that, whatever the financial result, it will be of the greatest political value to the Turkish Government.
